



PERCEIVED SELF-EFFICACY AND ENTREPRENEURIAL INTENTION AMONG UNDERGRADUATE STUDENTS IN TERTIARY INSTITUTIONS IN SOUTHWEST, NIGERIA.

ABSTRACT

The paper examines the relationship between perceived self efficacy and entrepreneurial intention among undergraduate students in selected tertiary institutions in southwest, Nigeria. Perceived Behavioural Control, another term for self-efficacy entails the individual's perception of the ease or difficulty of

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Introduction

Background to the Study

Entrepreneurship is increasingly becoming crucial for economic recovery and growth, job creation, poverty alleviation as well as incubation of innovations world over. It is the capacity and willingness to develop, organize and manage a business venture along with any of its risks in order to make a profit. It fosters creation of new ventures and prepares individuals especially the youth to be responsible, enterprising who contribute to sustainable economic development (Oyeku, Oduyoye, Kabouh, Elemo, Karimu, & Akindoju, 2014). This is the major reason why entrepreneurship keeps attracting the attentions of policy makers and scholars especially in the university system (Siyanbola, 2016; Asaolu & Dada, 2018).



becoming an entrepreneur. Multi-stage sampling technique was used to select all six universities currently running entrepreneurship as a programme in the Southwestern Nigeria; three polytechnics that are running entrepreneurship as part of their programmes were randomly selected for the study and stratified random technique used to select six hundred (600) final year students from the nine institutions. This sample size was determined by Godden (2004) formula for study population that is greater than fifty thousand respondents. Copies of structured questionnaire were used to collect the data from the respondents. Data were analyzed with the aid of descriptive statistics and correlation analysis to test the hypothesis. Findings show that perceived self efficacy with ($r=0.519$, $p<0.05$) has positive and significant correlation with student's entrepreneurial intention. The implication is that entrepreneurship is largely an act of mind. It is an attitude. Self-confidence and competence will help in becoming what one plans to become. It was concluded that having a high perception about one self could boost one's entrepreneurial intention. The study however recommends that entrepreneurship education curriculum should be reviewed and enriched to enhance student's perceived self-efficacy.

Keywords: *Entrepreneurship, Entrepreneurship Education, Self-efficacy, Entrepreneurial Intention, Social Norms, Attitude, Planned Behaviour.*

Entrepreneurship is about actions; actions that are planned. These actions are conscious, voluntary, observable and quantifiable. Entrepreneurial intention is a planned behaviour (Krueger, 2007). In the words of Krueger et al. (2000) much of what is considered as 'entrepreneurial' activity (business plan, opportunity searching, identification and exploitation, assembling of resources etc) is intentionally planned behaviour. The entrepreneurial intention refers to the intentions of the individuals to be self-employed through establishing their own business or by buying an established one. In addition, it is the resultant of the certain mindset of a person.



Entrepreneurial intention is therefore, the desire of an individual to be involved in creation of ventures (Dada, 2019). Prior research reveals that entrepreneurial behaviours can also be explained and predicted by entrepreneurial intention.

Universities, polytechnics and other institutions produce hubs where knowledge is created and developed in graduates and transferred for economic growth and development of nations (Dada, 2019). Entrepreneurship education focuses on training of mind (attitude) and hand (Skills). Hence the focus of this paper is to examine the relationship between perceived self-efficacy and entrepreneurial intention of undergraduate students in Southwest, Nigeria.

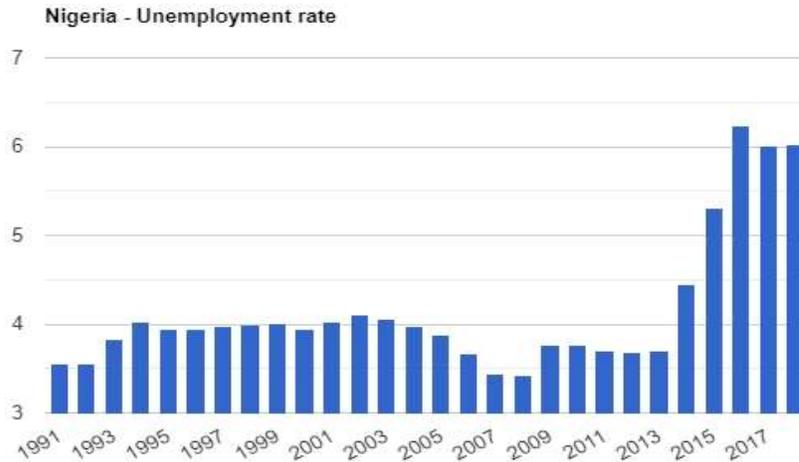
Statements of the Problem

The government of Nigeria is trying to promote entrepreneurial culture through initiatives that builds business confidence, positive attitude, pride in success, support and encouragement of new ideas. In the early 2000s, entrepreneurship studies were introduced into the Nigerian educational system especially higher institutions as a mandatory course to make the graduates self-employed, create job opportunities for others and generate wealth. However, the sad story is that this unemployment figure keeps increasing despite the introduction of entrepreneurship education in some of the tertiary institutions across the country (see figure 1.1).

The National Bureau of Statistics (NBS), in its Labour Force Statistics, released on Wednesday, December 19, 2018, stated that Nigeria's unemployment rate rose to 23.1% of the workforce by the end of September 2018, up from 18.1% in 2017 (National Bureau of Statistics, 2018). The existence of such a huge gap could be an indication that the tendency of graduates starting their own businesses after graduation is rather low. Hence, high level of unemployment coupled with very low level of enterprise creation, most especially among graduates in Nigeria, is evident. Question that may be asked is, whether this may be as a result of lack of self-



efficacy.



Source: TheGlobalEconomy.com, The World Bank

Figure: 1: Increasing rate of unemployment in Nigeria.

Research Question

1. What is the current entrepreneurial intention of the undergraduate students in the Southwest Nigeria like?
2. Is there any relationship between perceived self-efficacy and entrepreneurial intention of undergraduate students in the Southwest Nigeria?

Objective of the Study

1. To determine the current entrepreneurial intention of the undergraduate students in the Southwest Nigeria like.
2. To examine the relationship between perceived self-efficacy and entrepreneurial intention of undergraduate students in the Southwest Nigeria.

Research Hypothesis

H₀: There is no significant positive relationship between perceived self-efficacy and entrepreneurial intention of undergraduate students in the Southwest, Nigeria.



Summary of Literature Review

Concept of Entrepreneurship

Entrepreneurship has been defined in various ways by various writers. For examples: In simple terms, entrepreneurship is seen as the creation of a new firm. Ultimately, entrepreneurship is regarded as the process of uncovering or developing an opportunity to create value through innovation. (Shah, & Soomro, 2017).

Fatoki (2010) described Entrepreneurship as the capacity and willingness to undertake conception, organization, and management of a productive venture with all attendant risks, while seeking profit as a reward. Entrepreneurship provides a satisfying and rewarding working life, provides a flexible lifestyle and considerable business autonomy. Gana (2001) viewed entrepreneurship as the willingness and ability of an individual to seek out investment opportunities in an environment and be able to establish and run an enterprise successfully based on identified opportunities.

Entrepreneurship therefore describes the willingness, innovative and creative abilities of an individual to seek out investment opportunities, to establish and run an enterprise successfully (Al-Shammari, & Waleed, 2018). Lawal (2014) defined the term entrepreneurship as the act of being an entrepreneur; one who undertake innovations, finance and business acumen in an effort to transform innovations into economic goods.

Concept of Entrepreneurial Intention

The entrepreneurial intention is seen by the action of an individual's attitudes toward the outcomes of actions and individual's self-efficacy (Douglas & Fitzsimmon, 2013). Existing literatures have suggested relationship between the entrepreneurial intention and the perceptions of desirability as well as the reaction toward the opportunities and the abilities to leverage on the available opportunities (Osakede, Lawanson, & Sobowale, 2017).

Intentions occupy a central position in cognitive approaches to understand human behaviour. According to Ajzen (1991), most behaviours of social relevance (i.e. health related behaviour and the establishment of new



organizations) are under volitional control. Intentions can be seen therefore as the immediate determinants and the single best predictors of behaviour. It is certainly true that entrepreneurial ideas begin with inspiration; though intentions are needed in order for them to become manifest. Consistent with this approach, Krueger et al. (2000) argue that individuals do not start a business as a reflex, but they do it intentionally.

Entrepreneurial intentions are central to understanding the entrepreneurial process because they form the underpinnings of new organizations and are equally viewed as the first step in an evolving long term process (Shah, et al., 2017). Behavioural intention results from attitudes and becomes an immediate determinant of behaviour (Al-Shammari, et al., 2018). Entrepreneurial activity can be predicted more accurately by studying intention rather than personality traits, demographic characteristics, or situational factors (Krueger, Reilly, & Carsrud, 2000).

Intention has strong influence to shape the entrepreneurial behavior. It is outcome of attitude toward behavior, social norms, and control over behavior and all these factors are important predictors of inclination and intention of student towards self-employment more importantly some external factors like education and personality traits can affect them (Souitaris, Zerbinati, & Al-Laham, 2007).

Concept of Entrepreneurial Self-Efficacy

Entrepreneurial self-efficacy is a belief or confidence in one's own ability to effectively execute the variety of characters and tasks of entrepreneurship (Ho, Uy, Kang, & Chan, 2018). It is famously known as one of the trigger of entrepreneurial intents (Krueger et al., 2000; Douglas, 2013). When students perceive that they have sufficient knowledge and set of abilities and skills to run the business, they become confident about themselves that they can initiate and manage the business. The knowledge, skills and abilities to enhance the students' self-confidence or entrepreneurial self-efficacy is provided through an effective entrepreneurship education.

Since entrepreneurial self-efficacy and perceived desirability, both are influenced by the entrepreneurship education. Consequently, the



entrepreneurship education will also build in them the self-confidence or increase their level of entrepreneurial self-efficacy. The entrepreneurship education programme does also improve the students' perceptions regarding desire to initiate their new enterprise.

Theoretical Framework

Theory of Planned Behaviour

The theory of planned behaviour was postulated by Ajzen (1991) and adopted by Krueger and Carsrud (1993). According to Planned Behaviour Theory, Entrepreneurial Behaviour is a function of Entrepreneurial Intentions. This theory as argued by Thandi and Sharma (2003) suggests that a person's attitude towards becoming an entrepreneur, social norms (perception of others), and behavioural control are antecedents of intention. Thus, the more favourable the attitudes and social norms is and the greater the perceived behavioural control is, the stronger the intention to perform the behaviour. The theory of planned behaviour has been used successfully to predict intentions in various applications (Krueger et al., 2000). This study therefore relied on this theory as bases for forming the hypothesis.

Perceived Behavioural Control, another term for self-efficacy according to Bandura (1997), Byabashaija and Katono (2011), entails the individual's perception of the ease or difficulty of becoming an entrepreneur. It includes not only the feeling of being able or not being able to become entrepreneur but also the controllability of the behaviour; the greater the perceived control, the stronger the person's entrepreneurial intention (Ogundipe, Kosile & Olatunde, 2012). In literature, there is sufficient theoretical basis to justify a belief that educational interventions may increase entrepreneurial behaviour and efficacy (Tarus, Kemba, Kemboi, Okenwa & Otiso, 2016) and consequently enhance entrepreneurial intention.

Empirical Reviews

Tarus, et al., (2016) investigated the effect of education, social network, innovativeness and self-efficacy on entrepreneurial intention among 321



stratified sample size of business undergraduate students of Moi, Mount Kenya and Catholic universities in Uasin Gishu County. Based on Ajzen's Theory of Planned Behavior that views behavioral intent as commonly acceptable determinant of planned behaviour, the results revealed that innovativeness among students was highly and positively correlated to entrepreneurial intention; Self-efficacy was positively associated with entrepreneurial intention; education had positive significance correlation with entrepreneurial intention; and that social network showed a positive significant relationship with entrepreneurial intention.

Moa-Liberty, Tunde and Tinuola (2016) examined the influence of self-efficacy and socio-demographic factors on the entrepreneurial intentions of selected Youth Corp members in Lagos, Nigeria. The study adopted a cross-sectional survey design and a sample size of 300 National Youth Service Corp members was randomly selected in the five divisions of Lagos State with ages ranging from 18 to 30. Three hypotheses were tested using multiple regression and t-tests. The results showed that there is a significant joint influence of sex, age, ethnicity and self-efficacy on entrepreneurial intentions; male participants are more susceptible to entrepreneurial intentions than their female counterparts and that Youth Corp member with a high self-efficacy rate significantly higher on entrepreneurial intentions.

Oyeku, Oduyoye, Kabouh, Elemo, Karimu, and Akindoju (2014) investigated entrepreneurial self-efficacy and entrepreneurial success: A conceptual and theoretical framework. They extensively reviewed the past studies on self-efficacy of entrepreneurs and how past literatures had able to operationalize the construct of entrepreneurial self-efficacy. They refer to entrepreneurial self-efficacy as the subjective self-belief of an entrepreneur expressed in terms of optimism to start an enterprise and overconfidence to run it successfully. They concluded that entrepreneurial self-efficacy is a good predictor of entrepreneurial intention (venture start up self-efficacy) and a robust predictor of business performance (venture growth self-efficacy).



Methodology

The Study area is Southwest, Nigeria. The research design adopted descriptive survey technique to deductive research and employs a quantitative approach. The population of study is the final year students from faculty/college of business/management sciences of NUC accredited Universities that are offering entrepreneurship as a programme, and NBTE accredited Polytechnics (HND final year only) that are currently offering entrepreneurship within their programmes in Southwestern Nigeria. Multi stage sampling technique was used first to select all the six (6) universities in the Southwestern Nigeria currently running entrepreneurship as a programme, then three (3) polytechnics running entrepreneurship subjects within their programmes and lastly stratified sampling technique to select 600 respondents all within colleges/faculties of business/social/management science as the case may be. Sample size of 600 was determined by Godden (2004) formula for the study population that is greater than fifty thousand respondents. Well-structured questionnaire was used to collect primary data while descriptive statistics and Pearson Correlation analysis was used for the analysis of the hypothesis.

Data Analysis

Table 1: Descriptive statistics of responses on entrepreneurial intention

Research Question: What is the current entrepreneurial intention of the undergraduate students in the Southwest Nigeria like?

Item	Strongly Agree	Agree	Undecided	Disagree	Strongly Disagree	Mean	Standard Deviation
I consider self-employment as very desirable	359	229	8	2	2	4.57	0.58
I desperately want to work for myself	237	220	137	4	2	4.14	1.81
I am working towards owning my own business	275	317	6	2	-	4.44	0.54



I intend to start my own business within shortest possible time	247	340	8	2	3	4.38	0.58
My personal satisfaction with self-employment is very high	385	177	32	6	-	4.57	0.64
Grand mean:						4.42	

Source: Field Survey 2021

Table 1 illustrates the present entrepreneurial intention of undergraduates. With a grand mean score of 4.42 this shows that on the average, respondents agreed they have a high entrepreneurial intention.

Table 2: Descriptive statistics of responses on perceived self-efficacy

Research Question: Is there any relationship between perceived self-efficacy and entrepreneurial intention of undergraduate students in the Southwest Nigeria?

Item						Mean	Standard Deviation
	Strongly Agree	Agree	Undecided	Disagree	Strongly Disagree		
I am confident of my skills and abilities	384	210	4	2		4.63	0.52
I have the knowledge required to start a new business initiative	321	211	66	2		4.42	0.70
I can organise the resources needed to start a business	230	288	71	11		4.22	0.72
I believe I have the ability to identify and develop new business opportunity	282	313	2	1	2	4.45	0.55
I excel at identifying opportunities	196	377	24	1	2	4.27	0.57
Grand mean:						4.40	

Source: Field Survey 2021



Table 2 reveals the relationship between perceived self-efficacy and entrepreneurial intention of undergraduate students. With a grand mean score of 4.40, this shows that on the average, respondents agreed they possess high perceived self-efficacy that would enhance their behavior intention. Combining results of Table 2 and Table 1 using their grand mean, perceived self-efficacy ($\bar{x} = 4.40$) and entrepreneurial intention ($\bar{x} = 4.42$) have a high and similar pattern of increase. The findings indicate that majority of the respondents affirmed that they have a high perceived self-efficacy which would enhance their entrepreneurial intention. It could be inferred that there is significant relationship between perceived self-efficacy and entrepreneurial intention among undergraduate students in Southwest Nigeria.

Analysis of the Hypothesis

H₀: There is no significant positive relationship between perceived self-efficacy and entrepreneurial intention of undergraduate students in Southwest, Nigeria.

Table 3: Relationship between perceived self-efficacy and entrepreneurial intention among the undergraduate students

Variable	Mean	SD	N	Df	R	Sig	Remark
Perceived self-efficacy	22.00	1.93	600	598	0.519**	0.000	Sig.
Entrepreneurial intention	22.10	2.08					

Source: Field Survey 2021

Pearson's correlation coefficient was used and the results indicated that there is significant positive correlation between perceived self-efficacy and entrepreneurial intention ($r = 0.519^{**}$; $p < 0.05$). This means that having a high perception about one self could also boost one's entrepreneurial intention. Therefore, H₀ is rejected.



With grand mean of 4.40, the finding indicated that there is significant positive correlation between perceived self-efficacy and entrepreneurial intention among undergraduate students. This finding is in support of earlier studies of Malebana et al. (2014), Tarus et al. (2016), Afsaneh et al. (2014), Moa-Liberty et al. (2016) and Oyeku et al. (2014). They all submitted that student's entrepreneurial self-efficacy had a statistically significant relationship with entrepreneurial intentions. The implication is that entrepreneurship is largely an act of mind. It is an attitude. Your self-confidence and competence will help you in becoming what you plan to become.

Conclusion

The analysis of the hypothesis indicated that there is significant positive correlation between student's perceived self-efficacy and their entrepreneurial intention. The significant value which was less than 5% significant level of the results confirmed that there was significant positive correlation between students' perceived self-efficacy and their entrepreneurial tendency. This means that having a high perception about one self could also boost one's entrepreneurial intention.

Recommendations

Based on the findings, the following recommendations were made:

- (i) It is suggested that entrepreneurship education be reemphasised and strongly pursued in order to fulfil its goal of improving business setup, particularly among the youth.
- (ii) There was a strong link between students' perceived self-efficacy and their desire to start their own business. It is suggested that students be exposed to successful entrepreneurs for the purpose of giving a business talk, as this will instill in them the spirit and culture of business ownership as well as confidence. This is required since a significant number of respondents are unable to decide whether or not to work autonomously.



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