

Determinants of Entrepreneurial Role Model Selection among Tertiary Students: Views from Students of Kumasi Polytechnic in Ghana

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Abstract

The main objective of this study has been to unearth some of the factors capable of informing the youth on their role model selection. It has been discovered that role models can affect the lives of prospective entrepreneurs and so there is the need to identify the factors that could influence the selection of role models who can be more inspirational to the youth. The study adopted Kumasi Polytechnic as a case study. The entire data for the analysis was exclusively primary and was collected from final year students since they were exiting the institution. The sampling technique was multi faceted through the use of stratification and random sampling methods. The dependent variable in the study was Role model selection which was dichotomized and for that matter the Logistic model was adopted for the analysis. Some of the independent variables were, Educational background of the proposed role model, Years of experience of the model, Risk in the model's business, his age, Source of his wealth, proximity and contact with student, Foreign experience, and others. The regression was run to determine how they would influence the selection process. The results indicated that only five of these variables were significant and could affect the probability of selecting a role model even though the combine effect of all the variables was also significant.

KEYWORDS: Role models, entrepreneurial, Tertiary students, Kumasi Polytechnic

1.0 Introduction

Entrepreneurship has succeeded in revolutionizing the world because many countries have had solutions to their many economic and social challenges through it. Even though Ghana is gradually warming herself into this remarkable experience, many of the youth in the country today prefer wage employment. This attitude by the youth is slowing down the revolution. During informal discussions with some students of the polytechnic, it was discovered that every 7 out of 10 engaged preferred wage employment to setting up their own businesses. Though, they were aware of all the advantages that go with being an entrepreneur, the fear of losing their investment was the challenge. This research was then embarked upon to draw the youth closer to successful entrepreneurs to serve as counselors. Scherer, Adams, Carley and Weibe (1989) found that 35-70% of US entrepreneurs had entrepreneurial role models. This, in no small way has ignited the interest of Governments, policy makers in the industries and the academia to give it the attention it deserves. Many countries today are considered developed because they wholly embraced entrepreneurship. A good example is the United States of America where about 60% or more businesses are owned by private individuals. It is therefore highly imperative to empower all institutions and individuals to visualize entrepreneurship as an obligation and not a policy to be followed. As institutions seek this revolution, the effect is likely to transcend the fear in individuals especially the youth of today. It is in this vain that most Ghanaians and institutions in the country have developed the interest of learning from other successful individuals as their mentors. According to Sexton and Bowman (1986), many people indulge in entrepreneurship to have autonomy and eliminate high degree of conformity. As this phenomenon becomes pervasive, the idea of mentorship reins superior. Some of these advantages include the creation of jobs, eradication of diseases and expansion of the Gross National Product (GNP), poverty reduction and reduction of armed robbery cases in the country.

2.0 Literature Review

Individual empowerment is a necessary tool for self-dependence just as the proverbial Chinese put it “do not give a man fish, rather teach him how to fish”. The decision by individuals to engage in a certain kind of behavior is often influenced by the behaviour and opinions of others through the demonstration of their identity and by the examples they provide (Ajzen, 1991). Gibson (2003) remarked that, individual perceives to be similar to some extent and because of that similarity may have the desires to emulate some aspect of that person’s attributes or behavior. The presence of individuals who have started their own businesses has been found to influence others within their social network towards a similar behavior (Wagner, 2004). According to Speizer (1981), a positive entrepreneurial example leads to an increase in the likelihood that other agents also become entrepreneurs. Some role models exhibit a plethora of knowledge and ideas and so their presence can prescribe confidence in the youth of today to develop the spirit of entrepreneurship. Some of these findings suggest that role models can serve as solution bank to the numerous problems facing the youth of today. Deakins et al, (1997) acknowledged the fact that, interventions at pre-start and start-up stages of a business can be beneficial in reducing the known high failure rates.

The presence of role models has been found by some researchers as a positive factor and the absence of it has also been identified as a significant barrier to women’s career development (Tidball, 1973). People arguably suggest that women can overcome this challenge identified by Tidball if factors such as; supportive husbands, highly educated parents, female role models along with work experience are conspicuously present. An intention, according to Krueger et al. (2000) helps in predicting entrepreneurial readiness of individuals. It is in this vain that models are considered essential in the shaping of attitudes and beliefs of prospective entrepreneurs. Again, role models are mirrors from which individuals could attain factors to enhance their entrepreneurial propensity (Douglas and Shepherd, 2002). Role models can either be considered in the immediate environment or otherwise. In the immediate environment, family members and friends could be considered as against the remote environment. Davidson (1995) found that 40 percent of small businesses owners have a self-employed parent as a role model. The fact was that, families played dual role in that instance. Firstly, by providing financial support and secondly by inducing emotional support to the young ones.

The study on role models within the Ghanaian context is very crucial because of the emotional assistance they give to potential entrepreneurs. A lot of researchers have alluded to the fact that role models are worth more than the society needs them if really they accept to play the intended role. Lock wood and Kunda (1997) concluded that it is only when an individual finds a role model relevant to his/her needs or goals that the model can provide motivation and inspiration. It has also been found that, the presence of a role model can enhance self-efficacy which can reduce fear of failure (Baron, 2000). These views were very instrumental in increasing the confidence of entrepreneurs because they provide advice, support and innovativeness. According to Ibarra (1999), role models are very instrumental in reshaping the career paths of individuals. This assertion by Ibarra was affirmed when Krumboltz (1996) undertook a study on the effect of role models on career choices through counseling. In Ghana, the private sector has been accepted as the engine of growth of the economy and for that matter the already existing entrepreneurs must assist in igniting the entrepreneurial spirit among the youth.

The social learning theory by Bandura (1986) states that individuals are attracted to role models who are actively helpful in acquiring new tasks skills, attitudes and norms. The second theory by Slater (1961) stipulates that individuals develop emotional feeling and cognitive relationship with their role models and that accounts for why models are selected based on peculiar similarities they have with the personality. Boswell (1985) conducted an emotional research which revealed that female role models in the same field as young women of today were less likely to disturb the gender stereotype and so they performed better in their mathematics tests. There were some levels of emotions attached to the efforts of the ladies. The children of today wish to have an association with stars and super stars around the world. For instance, the effect of role models on television watchers is overwhelming and so children tend to behave alike (Sternglasz and Sabin, 1974).

Successful mentioning requires the following key guidelines; screening of prospective mentors, matching of mentors and youth on relevant criteria pre-match, ongoing training and frequency of contact. On the other hand, mentoring is bound to fail if social distance is kept and there is a mismatch between the aims of mentor and mentee (Hall, 2003). According to Cox (2005) there exist two different kinds of relationships in mentoring

namely formal and informal. He applauded the rapport existing in informal mentoring and craved for similar relationships in formal ones. In corroborating Cox's view, a recommendation has been given to integrate the formal and the informal relationships (Clutter buck, 2004).

Role models are references to individuals who wish to start business as they keep setting examples to be emulated by others. These role models may stimulate or inspire other individuals to make certain career decisions and achieve certain goals (Sharpiro et al, 1978; Basow and Howe, 1980; Wright et al; 1997). Various writers have established that role models effect on the entrepreneur is highly enormous. Among them is the fact that the decisions to start up a business is positively correlated with having a parent who is an entrepreneur (Chlosta et al, 2010; Dunn and Holtz, 2000). It has also been established that role models are usually found in certain groups such as peer groups (Djankov et al; 2006; Falck et al, 2010) and network (Kim and Aldrich, 2005) and through the interactions with potential entrepreneurs hence it is easier to access information or resources for various initiatives. Bygrave (1995) developed an entrepreneurial process model with the aim to determine the critical factors that enhanced the springing up of new businesses. The entrepreneurial process was placed at the centre of a framework composed of personal, sociological and environmental factors that influence the different steps of the entrepreneurial process and consequently the creation of new enterprises. One of the most consistent factors included in Bygrave's entrepreneurial process was the presence of entrepreneurial role models because, according to this model, they play an important part in facilitating opportunity detection and business idea generation within initial innovation stage of the entrepreneurial process. Role models also can act as a stimulus within the Triggering Event stage. Finally, the presence of positive entrepreneurial examples, according to Bygrave (1995) is very important during the implementation stage since 'knowing successful entrepreneurs make the act of becoming one seem much more credible'. Someone who is in close contact with an entrepreneurial Role-Model is more likely to develop the desire and confidence needed to create their own business.

3.0 Methodology

The data used for the analysis was exclusively primary because secondary data could not be obtained. The study adopted a questionnaire which was designed using variables such as frequency of contacts of the role model with the student, the educational background of the role model, similarities in characteristics between the role model and the student, admirable characteristics associated with the role model and the success factors of the role model. The questionnaires were given to final year students in the various departments in the school so that the results were not skewed. Students from Engineering, Marketing, Accountancy, Estate management, Entrepreneurship and Finance, Fashion and Design departments were given the opportunity to respond to the various questions in the questionnaire. These departments were chosen because they accounts for about 93% of the students' population in the polytechnic. Out of about 1,200 questionnaires which were given out to the final students, 992 of them were successfully completed and returned for the analysis. This indicated a response rate of 96%. Again, this sample (1200) represented about 97% of the final year students who were exiting and therefore were preparing to enter the job market.

A questionnaire was selected over other instruments because it did not have to engage the student if he/she had other academic work to do. Students were able to attend to the questionnaire at their leisure time so they could reduce the mistakes they would have made if they were under pressure. The sampling technique which was adopted was multi faceted. Since students were in departments, the idea of stratified sampling was evoked. Again in each department, students were selected at random to answer the questions. The main reason for this was to ensure that students were selected from various disciplines with different professional orientations. The issue of random sampling was visited to eliminate any biases whatsoever. The research also took advantage of the fact that students were readily available so it was easy to do a random selection. The case study was adopted to give an in-depth study of the various explanatory variables. The cardinal question sought for responses as to whether a student would choose a role model or not. This was the dependent variable requiring a 'yes or no' answer. This indicated that the dependent variable was dichotomized and so the appropriate model was the LOGISTIC MODEL.

3.1 The Research Model

The probability that a role model would be selected (that is 1) given all the explanatory variables was given as

$$P_i = E(RMSE = 1/X) \frac{1}{1+e^{-z}} = \dots\dots\dots Eqn (1)$$

Where RMSE is the dependent variable denoting Role Model Selection and X = SOW, EDB, FB, SIC, PAC, RA, RIB, SR and YOE. SOW represents the source of wealth of the role model, EDB representing Educational background of the role model, SIC is the similarity between role model and the student, RA is the age of the role model and PAC is the proximity of contact between role model and student, FB is foreign based role model, YOE is the years of experience the model has acquired, SR is the societal recognition of the role model, RIB is the risk in business role model's business. All the explanatory variables are qualitative in nature except the age of the role model which is quantitative.

From equation (1),

$$Z = \beta_0 + \beta_1 EDB + \beta_2 SOW + \beta_3 RA + \beta_4 FB + \beta_5 SIC + \beta_6 PAC + \beta_7 YOE + \beta_8 SR + \beta_9 RIB + \epsilon$$

Where, $\beta_1 \beta_2 \beta_3 \beta_4 \beta_5 \beta_6 \beta_7 \beta_8 \beta_9$ are the coefficients of the explanatory variables and β_0 is the intercept on z axis while ϵ is the error constant. They signify the change in the dependent variable for a corresponding change in the explanatory variables. These constants are to be determined by the regression using the Logit model.

From equation 1, $P_i = \frac{e^z}{1+e^z}$

It is the probability of choosing a role model and so the probability of not choosing a role model is 1-Pi, where

$$(1-P_i) = \frac{1}{1+e^z} = \dots\dots\dots Eqn (2)$$

From equations 1 and 2, the probability of choosing a role model to the probability of not choosing the role model is given by;

$$\frac{P_i}{1-P_i} = e^z \dots\dots\dots Eqn (3)$$

Equation 3 is called the odds ratio in favour of choosing a role model. If 1 represents the choosing of a role model, 0 will be representing not choosing a role model. Therefore, choosing a role model is RMSE = 1.

Now, taking natural logarithm of both sides of equation 3 we have;

$$L = z = \beta_0 + \beta_1 EDB + \beta_2 SOW + \beta_3 RA + \beta_4 FB + \beta_5 SIC + \beta_6 PAC + \beta_7 YOE + \beta_8 SR + \beta_9 RIB + \epsilon$$

.....eqn(4)

L is called the logit and it is the natural log of the odds ratio.

The values of the coefficients to be obtained in the last equation would determine the change in the log of the odds for a unit change in that independent variable. Table 1 below contains the results of the regression.

Results and Discussions

Table 1: Results from the regression

Dependent variable: RMSE

Variable	Coefficient	Std. Error	z-Statistic	Prob.
C	3.887825	1.312305	2.962592	0.0031
EDB	-0.484135	0.376610	-1.285507	0.1986
FB	-1.145357	0.411433	-2.783825	0.0054
YOE	-0.714273	0.596186	-1.198072	0.0809
PAC	0.372353	0.376885	0.987973	0.0432
SOW	-1.179790	1.123413	-1.050183	0.2936
RIB	-0.255414	0.384539	-0.664209	0.0066
SIC	0.271864	0.448370	0.606338	0.5443
RA	-0.432309	0.409045	-1.056873	0.0906
SR	-0.412089	0.391538	-1.052489	0.2926
Mean dependent var	0.781250	S.D. dependent var		0.414479
S. E. of regression	0.407587	Akaike info criterion		1.080782
Sum squared resid	30.23518	Schwarz criterion		1.250443
Log likelihood	-93.75504	Hannan-Quinn criter.		1.149496
Restr. Long likelihood	-100.8617	Avg.log likelihood		-0.488308
LR statistic (9 df)	14.21330	McFadden R-squared		0.070459
Probability (LR stat)	0.004937			

3.1.1 Analysis of the results

From Table 1 above, all the explanatory variables were estimated using the Logistic model as shown. The results indicated that 5 out of 9 explanatory variables were significant. FB was significant at 1% error permissible level. On the other hand, there was 99% confidence level that FB could affect the selection of role models. Similarly YOE was significant at 10% error permissible level; PAC was significant at 5%, RIB at 1% and RA at 10% significant level.

Though not all the variables were significant, the combined effect of all the variables was significant since the probability of the likelihood statistic was significant at 5% as shown in that table.

In the logistic model the slope coefficient of the variables as shown in the table gives the change in the log of the odds associated with a unit change in that variable when all other variables are held constant. In other words, each slope coefficient in this equation measures the change in the estimated logit for a unit change in the value of the given explanatory variable while holding other explanatory variables constant.

The result was therefore interpreted as follows;

- According to the research results, for any extra year of foreign experience the model attains, the log of the odds in favour of selecting that model reduces significantly. This shows a clear case of a negative relationship between the two variables holding the rest of the variables constant. The perception is that, they lose touch of the dictates of the local environment when they get too much involved with the foreign culture.
- As the role model piles up many years of work experience, students' taste for choosing such models diminishes. From the results, it was deduced that they prefer to be mentored by moderately experienced mentors. At some of the informal discussions, students indicated that highly experienced mentors might not recognize their inputs and suggestions.
- Again from the table, as the contact between the student and the role model becomes rampant and they could easily access their models, the log of the odds in favour of selecting that mode increase showing a positive relationship. They were of the view that, it would give them the opportunity to exchange ideas frequently.
- Also from the same results, as students became increasingly aware of the risk faced by the role model in his or her business, the log of the odds in favour of selecting that model reduces.
- According to the result again, the more a role model advances in age, the less likely he or she would be selected by the students as their mentor. They claimed, they are highly compatible with the youthful mentors as compared to the older generation.

4.0 Conclusions

- All the variables (FB, YOE, PAC, RA, RIB, SOW, EDB, SIC and SR) put together gives the student a high probability of selecting a particular role model. Though the individual variables might not all be significant, the combined effect would increase the probability of selecting a role model.
- Students showed reducing probability of selecting a role model if he or she has more foreign background than the local though it is a significant variable.
- Students' quest of selecting a role model based on the number of years of experience reduces for those with more years of experience. They were of the view that, it is difficult to learn from more experienced people.
- It is good for students to get closer to their role models because the more they do that, the more desire they get to associate with them and become like them.
- Students are not prepared to be subjected to high risk in their pursuit for entrepreneurship. For this reason, as role models engage in more risky businesses, students show low preference for them.
- Students are more compatible with role models who are relatively younger. Again, students are less comfortable with models that have many years of experience on the job.

4.1 Recommendations

Based on the above interpretations and conclusions, the following recommendations have been prescribed to enhance the selection of role models among students.

Below are the recommendations;

- The authorities of the Polytechnic must ensure that students are exposed to people who have the practical know-how. In doing that, they must be guided by the fact that students are not fascinated about role models who are as older as their parents or grandparents. According to the research, students are always prepared to learn from mentors who are within the youthful age bracket so to speak. They claimed, the older ones may impart knowledge which might not fit contemporary lifestyles and for that matter, the younger role models are preferred. Authorities must also ensure that frequent interaction between students and their mentors is allowed.
- Since most students are risk averters and so finds it safer to seek employment than create their own, the authorities of the school must introduce risk management module to all students in the various departments to enhance their entrepreneurial desire.
- It is recommended that school authorities introduce more local mentors to the students. Students want to see more deeds of the model in their environment. That can really increase their entrepreneurial propensity.

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