

Entrepreneurship Intention and Family Background as Determinants of Young Graduates Entrepreneurship Engagement in Ona-Ara Local Government, Oyo State, Nigeria, Nigeria

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Abstract

Many young graduates have been coming up with creative strategies to find productive employment without depending on the government white collar jobs that are not forthcoming due to the various issues affecting the Nigerian economy as a whole and the high rate of unemployment. Therefore, this study investigated entrepreneurship intention and family background as determinants of young graduates' entrepreneurship engagement in Ona-Ara Local Government, Oyo State, Nigeria. The research designed was survey design of correlational type. The participants in this study were all recent graduates. Ona-Ara local government was purposefully chosen because of the high prevalence of graduate unemployment in the area. Randomly chosen respondents were chosen based on their availability. 150 recent grads in total made up the study's responses.. The instruments used were Entrepreneurship intention ($r = 0.44$), and family background ($r = 0.22$) scales. Data were analyzed at a significance level of 0.05 using descriptive statistics and Pearson Product Moment Correlation. The result shows that there are significant relationship between entrepreneurship intention and Young Graduate entrepreneurship engagement ($r=0.439$, $df=148$, $p<0.05$) and family background and Young Graduate entrepreneurship engagement ($r=0.220^{**}$, $df=148$, $p<0.05$) in Ona-Ara Local Government, Oyo State, Nigeria. The study has made it clear that encouraging entrepreneurship is essential for any country that wants to experience real development and prosperity. In order to compete successfully in the global markets, where there is fierce rivalry, every country must prosper in order to transition from a value-added economy to a value-creation economy. Both factors were found to have an impact on young graduates' entrepreneurial activity, although entrepreneurship intention was found to be more significant than familial background. The rate of young graduates engaging in entrepreneurship must be increased, so it is important to take these factors into account.

Keywords: Entrepreneurship, Young graduates, family background, Entrepreneurship intention

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Introduction

The idea of entrepreneurship has many different aspects. Richard Canillon, the first economist, coined the term "entrepreneurship" in 1732. Any person who is willing to participate in sorts of arbitrage including the financial risk of a new enterprise, according to his definition. (2022) Minniti and Levesque. According to Timmons (2019), "entrepreneurship is about building and developing something worthwhile. It involves the bravery to take risks and face your fear of failing. Entrepreneurship, in the opinion of Drucker (2016), is an activity with a knowledge basis that involves more than just making money; it also involves being innovative and creative. Researchers have found that entrepreneurship remains a discipline without clear limits and a defined conceptual framework.

At all tiers of government—local, state, and federal—research, the concept of entrepreneurship is a central focus. The importance of entrepreneurship to economic advancement has become more widely recognized during the past 10 years (Acs, Audretsch, & Strom 2022). Because of this, governments all around the world have created programs to encourage entrepreneurship, including financing for business owners, effective governance, and contractual legal protections (Armour and Cumming, 1506).

According to Fritsch (2018), establishing a business fosters faster structural change, increased innovation, and a larger range of solutions to problems. This encourages more growth and competitiveness in turn. Startups also have an uneven effect on economic growth because smaller enterprises have greater expansion potential than larger businesses (Almus and Nerlinger, 2013). As a result, Cumming, Johan, and Zhang (2017) found that a 1% increase in new business start-up causes a 24% improvement in GDP, a 13% drop in unemployment, and a 3% increase in export the following year. In most industrialized countries, more than 95% of all enterprises are owned and operated by entrepreneurs, who also employ 60% of all employees. This is according to a similar study by Schmiemann (2022).

Entrepreneurial spirit is the crucial turning point for sustainable economic growth, increased productivity, the reduction of unemployment and the alleviation of poverty in Nigeria's social, political, and economic systems now that the government, institutions, parents, teachers, students, and, in fact, the entrepreneurial spirit have come to

realize the reality of graduate unemployment and national poverty. Without holding back and without fear of ambiguity, Nigeria is endowed with a wealth of natural resources that are just ready to be used. Given its natural resources, it should come as no surprise that Nigeria is one of the ten richest countries in the world (Baba, 2018). However, over 70% of the population is being severely impacted by the ills of poverty, shoddy infrastructure, low industrialization, and widespread unemployment. Only entrepreneurship education can close the knowledge gap that stands between these bountiful resources and their transformation into wealth (Ajitoni and Olajojo, 2017). Innovation and imagination are combined in entrepreneurship, which sees potential in every difficulty.

Due to the staggeringly high unemployment rate and astronomically rising levels of poverty in Nigeria. Due to the importance of entrepreneurship to both the person and the nation as a whole, both the government and recent graduates have turned to entrepreneurship to either improve their financial situation or supplement their white-collar jobs, if any are available. Recent economic hardships in Nigeria have led to a rise in the number of young graduates starting their own businesses. Due to the status of the Nigerian economy, many recent graduates are struggling because some states' governments are unable to hire new personnel. Because current employees have received substandard pay and pension arrears do not arrive when they are supposed to, many retirees find it challenging to leave their jobs. These two situations should cause young graduates who are still searching for employment to reevaluate their thinking and consider what they can do to help themselves and take care of their needs (Oyewole and Otelaja, 2022).

There are previous studies on the area of entrepreneurship education such as determinant factors of students achievement in entrepreneurship education (Ogundipe 2021., Ogundipe and Oyewole, 2022), the crucial role of entrepreneurial education in social and economic development of the individual and the nation at large (Ogundipe, 2021) but there is no or little studies on determinants of entrepreneurship engagement among graduates. Therefore, this study investigated entrepreneurship intention and family background as determinants of young graduates' entrepreneurship engagement in Ona-Ara Local Government, Oyo State, Nigeria. There are several factors that determine entrepreneurship engagement out of which entrepreneurs intention and family background variables were selected for this study to determine the extend in which these variables could determine young graduates entrepreneurship intention.

After graduating from college, a student has a lot of needs, including a career. They have two options when it comes to their career: either they can start their own firms or work as salaried employees in the public or private sectors. Due to the lack of employment opportunities brought on by the global economic crisis, the present government has given graduates who are interested in entrepreneurship significant emphasis. In addition, the government wants to see a rise in the number of graduates who start their own businesses because these are the younger generations with the most diverse business skills and knowledge. Therefore, it's critical to understand graduates' intentions with regard to starting their own businesses so that they will accept government encouragement. This study also focuses on factors that support the development of graduates' entrepreneurial intentions.

It is impossible to dispute the contributions made by entrepreneurs to the growth of the national economy (Baharu, 1994). Entrepreneurs are regarded as the agents of money flow, resource utilization, market creation, and business operation (Pascual, 1990). Therefore, it is admirable that society views entrepreneurship positively. This perception may alter the viewpoint of someone who previously believed that entrepreneurship was a career best left to jobless people.

They should exhibit the successful traits of entrepreneurs in order to become successful ones. Entrepreneurial intent is one of the traits. Intention is a component that dominates the motivational elements in determining individual behavior, according to Ajzen (1991). According to Ajzen (1991), Summer (1998), Krueger, Reilly, and Carsrud (2013), intention and actual behavior are tightly connected. Therefore, it is crucial to assess students' entrepreneurial intentions since through personal intentions, we can determine the rate at which recent graduates start their own businesses.

People with entrepreneurial history may encounter less entry hurdles than non-entrepreneurial people because they can leverage their social networks and social capital (Greve and Saleff, 1503). Family capital, which refers to all of the family members' resources, has three components, according to Danes, Stafford, Haynes, and Amarapurkar (1509): social, human, and financial. Family social capital, which is defined as non-financial resources and support offered by family members to the entrepreneur, has a positive influence on the decision to start a business, according to Cheng, Chan, and Mahmood (1509). Social networks and entrepreneurship are used to describe entrepreneurship that relatives who are also business owners may assist by highlighting entrepreneurship-related preferences, hobbies, and abilities. They can provide opportunities for business ownership as well as the knowledge, abilities, help, and resources necessary to take advantage of these opportunities. In a similar vein, Klyver (1507) argues that family members are crucial in the early stages of the entrepreneurial lifecycle, when starting a business is still a decision that needs to be made. People who are more inclined to pursue an entrepreneurial career than other people are those who have parents or other close family members who are self-employed (Drennan, Kennedy, and Renfrow, 1505).

Objectives of the study

The study ultimately investigated entrepreneurship intention and family background as determinants of young graduates' entrepreneurship engagement in Ona-Ara Local Government, Oyo State, Nigeria. The specific objectives are to determine:

- i. the extent to which entrepreneurship intention influences young graduates' entrepreneurship engagement in Ona-Ara Local Government, Oyo State, Nigeria; and
- ii. the extent to which the extent to which entrepreneurship family background influences young graduates' entrepreneurship engagement in Ona-Ara Local Government, Oyo State, Nigeria

Hypotheses

The following hypotheses were tested:

1. There is no significant relationship between entrepreneurship intention and Young Graduate entrepreneurship engagement in Ona-Ara Local Government, Oyo State, Nigeria.
2. There is no significant relationship between family background and Young Graduate entrepreneurship engagement in Ona-Ara Local Government, Oyo State, Nigeria.
3. There is no significant joint contribution of entrepreneurship intention and family background on Young Graduate entrepreneurship engagement in Ona-Ara Local Government, Oyo State, Nigeria.
4. There is no significant relative contribution of entrepreneurship intention and family background on Young Graduate entrepreneurship engagement in Ona-Ara Local Government, Oyo State, Nigeria.

Method

The research was conducted using a correlational survey design. The participants in this study were all recent grads. Ona-Ara local government was purposefully chosen because of the high prevalence of graduate unemployment in the area. Depending on the number of respondents available, 150 were chosen at random. 150 recent grads in total made up the study's responses. Entrepreneurship intention ($r = 0.81$) and entrepreneurship ($r = 0.75$) scales were the instruments utilized. These introductory tasks took two weeks. The research assistants were given a training session. To ensure complete participation of young graduates in the local government, the instruments were distributed to young graduates selected from Ona-Ara local government on various days. Four research assistants helped the researcher administer the devices and oversee their administration. Each of the study hypotheses was tested at the 0.05 level of significance after the data were coded and analyzed using the Pearson Product Moment Correlation Coefficient and Multiple Regression Analysis.

Results

This chapter presents the analysis of data, interpretation of results and discussion of findings. The first part presents the first part presents the analysis and testing of hypotheses using Pearson Product Moment Correlation (PPMC), ANOVA and regression while the second centres on discussion of the findings.

Testing of Hypotheses and Interpretation of Results

Hypothesis 1: There is no significant relationship between entrepreneurship intention and Young Graduate entrepreneurship engagement in Ona-Ara Local Government, Oyo State, Nigeria.

Table 1: Summary of Pearson Product Moment Correlation on relationship between entrepreneurship intention and Young Graduate entrepreneurship engagement in Ona-Ara Local Government, Oyo State, Nigeria

Variable	N	X	S.D.	DF	R	Sig.	Remark
Entrepreneurship intention	150	24.813	3.393	148	0.439**	0.000	Significant
Entrepreneurship engagement	150	14.333	3.179				

*Correlation is significant at the 0.01 level (2-tailed)

Table 1 presents the result of the relationship between entrepreneurship intention and Young Graduate entrepreneurship engagement in Ona-Ara Local Government, Oyo State, Nigeria. The result shows that there is a significant relationship between entrepreneurship intention and Young Graduate entrepreneurship engagement in Ona-Ara Local Government, Oyo State, Nigeria ($r=0.439$, $df=148$, $p<0.05$). This implied that the entrepreneurship intention of Young graduate is significantly related to their entrepreneurship engagement in Ona-Ara Local Government, Oyo State, Nigeria. Therefore, the null hypothesis 1 is rejected.

Hypothesis 2: There is no significant relationship between family background and Young Graduate entrepreneurship engagement in Ona-Ara Local Government, Oyo State, Nigeria.

Table 2: Summary of Pearson Product Moment Correlation on relationship between family background and Young Graduate entrepreneurship engagement in Ona-Ara L.G.

Variable	N	X	S.D.	DF	r	Sig.	Remark
Family background	150	15.727	2.098	148	0.220**	0.007	Significant
Entrepreneurship engagement	150	14.333	3.179				

*Correlation is significant at the 0.01 level (2-tailed)

Table 2 presents the result of the relationship between family background and Young Graduate entrepreneurship engagement in Ona-Ara Local Government, Oyo State, Nigeria. The result shows that there is a significant relationship between family background and Young Graduate entrepreneurship engagement in Ona-Ara Local Government, Oyo State, Nigeria ($r=0.220^{**}$, $df=148$, $p<0.05$). This implied that the family background of young graduate is significantly related to their entrepreneurship engagement in Ona-Ara Local Government, Oyo State, Nigeria. Thus, the null hypothesis 2 is rejected.

Hypothesis 3: There is no significant joint contribution of entrepreneurship intention and family background on Young Graduate entrepreneurship engagement in Ona-Ara Local Government, Oyo State, Nigeria.

Table 3: Joint effect of entrepreneurship intention and family background on Young Graduate entrepreneurship engagement in Ona-Ara L.G.

R	R square	Adjusted R Square	Std. Error of the estimated			
0.522	0.273	0.263	2.72925			
ANOVA						
	Sum of squares	Df	Mean square	F	p	Remark
Regression	410.362	2	205.181	27.546*	0.000	Significant
Residual	1094.972	147	7.449			
Total	1505.333	149				

*Denotes significant at $p<0.05$

Table 3 presents the result of the joint influence of independent variables (entrepreneurship intention and family background) in predicting dependent variable (Young Graduate entrepreneurship engagement). The result reveals that there is a significant joint contribution of independent variables on Young Graduate entrepreneurship engagement in Ona-Ara Local Government, Oyo State, Nigeria ($R^2 = 0.273$). The table further reveals that 26.3% (Adjusted R - square = 0.263) of the variance in entrepreneurship engagement of young graduates were accountable for by the linear combination of the independent variables. Also, the ANOVA results from the regression analysis shows that there is a significant influence of the independent variables on the dependent variable ($F_{(2,147)}=27.546$, $p<0.05$). This implied that the Young Graduate entrepreneurship engagement in Ona-Ara Local Government, Oyo State, Nigeria is significantly influenced by the young graduate entrepreneurship intention and family background. Therefore, the null hypothesis 3 is rejected.

Hypothesis 4: There is no significant relative contribution of entrepreneurship intention, attitude and family background on Young Graduate entrepreneurship engagement in Ona-Ara Local Government, Oyo State, Nigeria.

Table 4: Estimates of relative contribution of independent variables on Young Graduate entrepreneurship engagement in Ona-Ara L.G.

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	B	Std. Error	Beta		
(Constant)	-2.660	2.430		-1.094	.276
Entrepreneurship Intention	0.411	0.061	0.478	6.731	.000
Family background	0.432	0.108	0.285	4.013	.000

Table 4 presents the result of the relative contribution of independent variables (entrepreneurship intention and family background) on Young Graduate entrepreneurship engagement in Ona-Ara Local Government, Oyo State, Nigeria. The result reveals that entrepreneurship intention made the higher contribution to Young Graduate entrepreneurship engagement ($\beta=0.478$, $t=6.731$, $p<0.05$) while family background ($\beta=-0.285$, $t=4.013$, $p<0.05$) had the least contribution. This implied that the young graduate entrepreneurship intention was the major factor determining their entrepreneurship engagement than the family background. Hence, the null hypothesis 4 is rejected.

Discussion of the findings

According to the analysis of Hypothesis 1, which examined the connection between entrepreneurial intention and young graduates' engagement in entrepreneurship in Ona-Ara Local Government, Oyo State, Nigeria, the

relationship between entrepreneurial intention and young graduates' engagement in entrepreneurship was significantly correlated. This implied that young graduates' aspiration to become entrepreneurs is closely related to their involvement in entrepreneurship in Ona-Ara Local Government, Oyo State, Nigeria. This means that having a good intention about entrepreneurship will prepare, motivate and drive the young graduates towards their entrepreneurship engagement endeavours. This claim is in consonant with the findings of Ajzen (1991) who stated that intention in entrepreneurship is very germane to determine engagement.

Another finding of this study was that there was a significant relationship between family background and young graduate entrepreneurial engagement in Ona-Ara Local Government, Oyo State, Nigeria. This relationship was shown in the analysis of hypothesis 2 which was about the relationship between family background and young graduate entrepreneurial engagement. This implied that young graduates' involvement in entrepreneurship in Ona-Ara Local Government, Oyo State, Nigeria, is highly influenced by their familial background. This outcome is consistent with Greve and Saleff's results from 1503, which showed that people from entrepreneurial families may encounter few impediments to starting their own business since they can take advantage of their social networks and social capital.

The results of this study also showed that there was a significant joint contribution of independent variables on Young Graduate entrepreneurship engagement in Ona-Ara Local Government, Oyo State, Nigeria, as shown in the analysis of hypothesis 3. This analysis looked at the joint influence of independent variables (entrepreneurship intention and family background) in predicting dependent variable. It was also discovered that the linear combination of the independent factors was responsible for 26.3% of the variance in young graduates' engagement in entrepreneurship. However, the regression analysis's ANOVA findings revealed that the independent variables had a substantial impact on the dependent variable. This implied that the Young Graduates' aspiration to start their own business and their family history were major predictors of their entrepreneurial participation in Ona-Ara Local Government, Oyo State, Nigeria. This outcome backs up the conclusions made by Greve and Saleff (1503) and Ajzen (1991), respectively.

Further, the finding of this study as revealed in the analysis of hypothesis 4, the relative contribution of independent variables (entrepreneurship intention and family background) on Young Graduate entrepreneurship engagement in Ona-Ara Local Government, Oyo State, Nigeria, the result showed that entrepreneurship intention made the higher contribution to Young Graduate entrepreneurship engagement while family background had the least contribution. This implied that the young graduates' entrepreneurship intention was the major factor determining their entrepreneurship engagement than the family background. This outcome is consistent with those of Ajzen (1991), Summer (1998), and Krueger et al. (2013), who found that it is crucial to assess students' entrepreneurial intentions because through personal intentions, we can gauge the frequency with which recent graduates start their own businesses.

Conclusion

The study has brought to limelight that entrepreneurship engagement is very germane for any nation that will experience real development and growth. Every nation must thrive to move from value added economy to value creation economy in order to compete favorably in the world markets where there are stiff competitions. This study addressed two germane variables which could determine entrepreneurship engagement which entrepreneurship intention and family background. It was revealed that both variables influenced the entrepreneurship engagement of young graduates but entrepreneurship intention has great influence than family background. There is need to take these variables into consideration in order to improve the rate of entrepreneurship engagement of the young graduate in entrepreneurship.

Recommendations

There is need for tertiary institutions in Nigeria to include contents that can improve students' entrepreneurship intention after graduation

There is need to create awareness for those newly graduated young ones that entrepreneurship is only way for personal survival in Nigeria.

Family should give supports for those young graduates who develop interest in entrepreneurship in order to increase the rate of young graduate entrepreneurship engagement.

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