

Analysis of Mind-Set (Intention and Constraints) of Nigerian Students towards Entrepreneurship in the Country

Adamu Ibrahim

Department of Vocational and Technical Education

Ahmadu Bello University Zaria, Nigeria.

Email: adamugadabs@gmail.com or adamugadabs@yahoo.com

Usman Musa Abdullahi

Nigeria Immigration Service, Abuja

Email: Usmania_abdul@yahoo.com

Abstract

The study examined the mind-set (intention and constraints) of Nigerian students towards entrepreneurship in the country. The study had six objectives and six null hypotheses. The researchers used descriptive design method. The population of the study was six hundred and forty five (645). Four rating scale structured questionnaires titled Entrepreneurial intention and its constraint in Nigeria (EICN) was used to gather information for this study. Six hundred and forty five (645) copies of the questionnaires were administered out of which six hundred and two (602) copies representing (93%) were retrieved and subjected to statistical using SPSS on the basis of which informed conclusions were drawn. Two different statistical methods were employed to analyze data collected. The tools are logistic regression for null hypotheses one and two, while chi-square (X^2) was employed to determine null hypotheses three to six. One of the findings of the study shows that the environment in Nigeria is not encouraging students to put into practice their entrepreneurial intention upon graduation. Based on this, it was recommended among others that, government should try and improve on power supply, access roads, markets, security among others. This will help to improve the present enabling environment.

Keywords: Skills, Entrepreneurial, Interest, Challenges.

INTRODUCTION

Education is one of the strategies designed to prepare students to become responsible citizens upon graduation. Education inculcates in learners the ability to identify, screen and utilize acquired skills to seize the available opportunities in their environment. Curricula of educational programmes in Nigeria focused on imparting knowledge, skills applications, and attitudes that will reinforce workplace competencies of students upon graduates. The learning process prepares students the traits and competencies in area of team spirit, leadership, problem solving, negotiation skills, self-direction and self-management. WEF (2009) reports that one of the objectives of education is to accumulate entrepreneurial competencies and build enterprise culture, entrepreneurial attitudes, skills, knowledge, enterprise culture, and entrepreneurial ecosystem for entrepreneurship to students. In Nigeria, education consists of three ingredients: creativity- creating all kinds of ideas; Innovation- find value in selected ideas; and entrepreneurship- develop a business from the innovative idea (Thomsen Business Information, 2012).

Today, the economic growth of individual and nation at large depends on skills and innovation of the citizens. Developed countries such as China, America, Britain, Germany, Japan, Taiwan, France, among also consider skills and innovation as the engine for their industrialization (Nwekeaku, 2013). The nation financial crises and the prevalent rate of unemployment in the country compelled the federal government to also consider education as one of the engine for national transformation and job creation. This is in line with on the goals of higher education in Nigeria as stated in the Federal Government of Nigeria (2004) which emphasized on developing intellectual capacity, values for the survival of individuals, manpower training, provide enabling and conducive environment as well as to acquire both physical and intellectual skills that will enable individuals to be self-reliant and useful members of the society. Hence, the programme of tertiary institutions in Nigeria is geared towards imparting the desired knowledge, skills, competencies and understanding for self-employed and self-reliant in the country. Buttressing this point, Fayolle (2005) explained that one of ultimate role of tertiary institution is equipped students with skills and knowledge needed before embarking on a new business venture. Going by this, education prepare student for entrepreneurship culture. The National Standards for Education are based on the conviction that education competencies are essential for students to participate in the economic system, all students need to be literate in business and economics. Adenekan (2008) felt that education has the capacity of empowering graduates economically and capable of reducing poverty and contributing to the development of the country. It is presumed that through education, students will become successful entrepreneurs or entrepreneurial thinkers capable of identifying possibilities of transforming ideas into practical by establishing their own business ventures upon graduation.

Statement of the Problem

In Nigeria, education is one of the programmes designed to prepare students for paid jobs or to be entrepreneurs. Education plays a prominent role in preparing students to become responsible citizens, capable of making the wise economic decisions for personal and professional benefit upon graduation. It equips students with skills and knowledge for financial management, decision-making, economic principles and the processes for entrepreneurship. The states National Policy on Education (2004) states that the objective of education is to (i) equip students with skills; (ii) expose students to career awareness by exploring usable options in the world of work. (iii.) enable them to have an intelligent understanding of the increasing complexity of technology; and (iv) stimulate in students creativity. Uwaifo (2009) posits that the training will help the trainee in the manipulative habits, thinking, capitalize of interest and aspiration of students to the highest possible degree for self reliance. Hence the excellence of education is to prepare students for job opportunities and entrepreneur interest and aspiration upon graduation.

There is no doubt about the education is not yielding desired objectives as number of school leavers are waiting for paid jobs which is posing a great challenge in Nigeria. National Bureau of Statistics (2010) reported that, in Nigeria, rate of unemployment escalates from 11.9% in 2005 to 14.9% in 2008 and shot up to 19.7% in 2009. This lead to uprising questions of:- are the graduates prepare for self-reliance in Nigeria? Are they not aware of entrepreneur opportunities in the country? Are they not aware of how to generate capital to establish business? Does this mean that the one of the objectives of education of preparing students for entrepreneurship not obtainable? Of what importance are skills acquired by education graduates when they cannot practice it? The situation led Baba (2013) to reiterate on the massive unemployment among Nigerian graduates. These irritating situations prompted the researcher to investigates the influence of education on attitudes of students towards entrepreneurship in Nigeria

Objectives of the Study

The objectives of the study are as follows:-

1. whether skills acquired in education have influence on students entrepreneurial intention upon graduation
2. the influence of students entrepreneurial intention on their attitude towards business formation in Nigeria
3. the extent to which entrepreneur skills affects entrepreneurial intention of students in Nigeria.
4. the extent to which enabling environment affects entrepreneurial intention of students in Nigeria.
5. the extent to which finance affects entrepreneurial intention of students in Nigeria.
6. the extent to which pride affects entrepreneurial intention of students in Nigeria.

Hypotheses of the Study

The following hypotheses were formulated and tested using Multiple Regression t at significant level of 0.05.

1. A negative relationship exist between skills acquired in education and students entrepreneurial intention upon graduation
2. A negative relationship exist between entrepreneurial intention of students and their attitude towards business formation in Nigeria
3. Entrepreneur skills have no significant effect on entrepreneurial intention of students in Nigeria.
4. Enabling environment have no significant effect on entrepreneurial intention of students in Nigeria
5. Finance has no significant effect on entrepreneurial intention of students in Nigeria
6. Pride has no significant effects on entrepreneurial intention of students in Nigeria.

Data collection methods

Survey design method was used for the study. The study population comprises of final year students in federal universities in Nigeria in 2012/2013 academic year. The researchers targeted 645 final year students in faculty of education in 2012/2013. Primary data used for this study were collected with the aid of sets of four rating scale structured questionnaires. The validity of the instrument was determined by six professors in faculty of education in Ahmadu Bello Universities Zaria. Pilot study was used to determine the reliability of the instrument. The result of the study revealed reliability coefficient of 0.78. A reliability co-efficient of this value is high enough for studies of this nature as observed by Uzosike (2008) who observed that, the average value of correlation co-efficient should not be less than 0.50. The researchers assisted by eight assist personally visited federal universities in the country to administer the questionnaire. Out of 649 copies of questionnaire distributed, 602 (93%) copies were properly completed and retrieved and subjected to statistical analysis.

Method of data analysis

Data obtained from administered questionnaire were coded into Statistical Package for Social Science

(SPSS). SPSS was used to run logistic regression in determining null hypothesis one and two while chi-square method was adopted in analyzing data used to determine null hypotheses three to six. In the test, if the calculated value is less than the critical value, the null hypothesis was accepted and on the other hand if the calculated value is greater than the critical value, the null hypothesis was rejected. All the hypotheses were determined at significant level of 0.05.

Test of Null Hypotheses

The result of test of six null hypotheses are presented in Table 1 to 6

Testing of Null Hypothesis one

HO₁: A negative relationship exist skills acquired in education and students entrepreneurial intention upon graduation

Table1: Regression Results on the Relationship between students and entrepreneurial intention in Nigeria

				Standardized Coefficient	t-value	Sig.	95% Confidence Interval for B	
Mode		B	Std. Error	Beta			Lower Bound	Upper Bound
1	Constant	2.004	.260		12.808	.000	3.114	4.812
	Entrepreneurial intention	.206	.089	.254	3.777	.004	.044	.266

The result of regression analysis used to test null hypothesis two presented in Table 1 shows that, relationship exist between skills acquired in education and students entrepreneurial intention upon graduation. The analysis result shows that skills acquired in education influence entrepreneurial intention indicated the existence of significant influence towards entrepreneurial intentions among students at $p < .05$. The result indicates that the skills acquired by students is one of the major drives for students' entrepreneurial intentions upon graduation as proved by t and beta score ($t = 12.808$ and beta was $.254$).

HO₂: A negative relationship exist between entrepreneurial intention of students and their attitude towards business formation in Nigeria

Table 2: Regression Results on the Relationship between students entrepreneurship intention and business formation in Nigeria

				Standardized Coefficient	t-value	Sig.	95% Confidence Interval for B	
Mode		B	Std. Error	Beta			Lower Bound	Mode
1	Constant	2.339	.261		11.887	.000	3.292	1
	Business formation	.211	.061	.238	3.718	.000	.039	

In the test of null hypothesis one in Table 2, the analysis shows that students entrepreneurial intention has significant influence on students attitude towards business formation in Nigeria at significance level of 0.05. Students' attitude towards business formation has the t and beta score of 11.887 and 2.11, the $P < 0.05$, indicating that there is positive relationship between independent variable (entrepreneurial intention) and dependent variable (attitude towards business formation). Since the results from the testing of null hypothesis two shows that there is strong relationship between students' entrepreneurial intention and their attitude towards business formation, the null hypothesis is therefore not retained.

Test of Null Hypothesis three

HO₃ Entrepreneur skills have no significant effect on entrepreneurial intention of students in Nigeria.

Table 3: Test of Effect of Entrepreneur skills on students' entrepreneurial intention in Nigeria

Description	O	E	O-E	(O-E) ²	(O-E) ² ÷ E
Strongly agree	155	150	5	25	0.167
Agree	152	150	2	4	0.027
Disagree	149	150	-1	1	0.007
Strongly disagree	144	150	-6	36	0.240
Total	600				$\chi^2_c = 0.441$

χ^2 calculated = 0.441

χ^2 tab value at 5% level of significance

$\alpha = 5\% = 0.05$

d.f. = (r-1) (c-1)

where r = row total C = column total

r = 4, c = 2

df = (4-1) (2-1)

df = 3x1 = 3

χ^2 tab at 5% level of significance df 3 = 7.815^a

From Table 3, the result of the analysis shows χ^2 calculated value of 0.0441 while χ^2 tabulated values is 18.81. The result therefore shows that χ^2 calculated is less than χ^2 tabulated (of 0.441 < 7.815), based on the result, the null hypothesis three which states that entrepreneur skills have no significant effect on entrepreneurial intention of students in Nigeria is retained.

Test of Null Hypothesis Four

HO₄ Enabling environment have no significant effect on entrepreneurial intention of students in Nigeria

Table 4: Test of effect of Enabling environment on students entrepreneurial intention in Nigeria

Description	O	E	O-E	(O-E) ²	(O-E) ² ÷ E
Strongly agree	186	150	36	1296	8.64
Agree	171	150	21	441	2.94
Disagree	138	150	-12	144	0.96
Strongly disagree	105	150	-45	2025	13.5
Total	600				$\chi^2_c = 26.04$

χ^2 calculated = 26.04

χ^2 tab value at 5% level of significance

$\alpha = 5\% = 0.05$

d.f. = (r-1) (c-1)

where r = row total C = column total

r = 4, c = 2

df = (4-1) (2-1)

df = 3x1 = 3

χ^2 tab at 5% level of significance df 3 = 7.815^a

Analysis of data used to test null hypothesis four presented in Table 4 was rejected as the χ^2_c value of 26.04 was found to be greater than χ^2 Table value of 7.815 at 0.05. Based on the result, the null hypothesis three which states that, enabling environment have no significant effect on entrepreneurial intention of students in Nigeria was rejected.

Test of Null Hypothesis Five

HO₅ Finance has no significant effect on entrepreneurial intention of students in Nigeria

Table 5: Test of effect of Finance on students' entrepreneurial intention in Nigeria

Description	O	E	O-E	(O-E) ²	(O-E) ² ÷ E
Strongly agree	211	150	61	3721	24.807
Agree	196	150	46	2116	14.107
Disagree	85	150	65	4225	28.167
Strongly disagree	108	150	42	1764	11.760
Total	600				$\chi^2_c = 78.841$

χ^2 calculated = 78.841

χ^2 tab value at 5% level of significance

$\alpha = 5\% = 0.05$

d.f. = (r-1) (c-1)

where r = row total C = column total

r = 4, c = 2

df = (4-1) (2-1)

df = 3x1 = 3

χ^2 tab at 5% level of significance df 3 = 7.815^a

From Table 5, analysis of data used to test null hypothesis five was rejected. From the Table, the $X^2_c > X^2_{t 0.05}$ (78.841 > 7.815_{t 0.05}.) Base on the result, the null hypothesis which states that, finance has no significant effect on entrepreneurial intention of students in Nigeria was rejected.

Test of Null Hypothesis Six

HO₆: Pride has no significant effects on entrepreneurial intention of students in Nigeria.

Table 4: Test of effect of Finance on students entrepreneurial intention in Nigeria

Description	O	E	O-E	(O-E) ²	(O-E) ² ÷ E
Strongly agree	182	150	32	1024	6.827
Agree	168	150	18	324	2.160
Disagree	129	150	-21	441	2.940
Strongly disagree	121	150	-29	841	5.607
Total	600				$\chi^2_c = 17.534$

χ^2 calculated = 17.534

χ^2 tab value at 5% level of significance

$\alpha = 5\% = 0.05$

d.f. = (r-1) (c-1)

where r = row total C = column total

r = 4, c = 2

df = (4-1) (2-1)

df = 3x1 = 3

χ^2 tab at 5% level of significance df 3 = 7.815^a

Analysis of data used to test null hypothesis six revealed the $X^2_c > X^2_{t 0.05}$, (17.534 > 7.815). Based on the outcome of the study, the result shows that pride has significant effects on entrepreneurial intention of students in Nigeria; hence the null hypothesis was rejected.

Discussion of the Study

The findings of this study at $P < 0.05$ shows that, the strength of entrepreneurial intention of graduates of education is attributed to skills acquired while in school. This finding scholars such as Wilberforce and Kofi (2012) who argued that, entrepreneurship training is creating entrepreneurship awareness and encouraging students to include self-employment in their career intentions and aspirations' options as well as inculcating a positive attitude towards business start-up. Similar Adamu (2013) reported that most students in Nigeria have broad based skills which enable them to be successful entrepreneurial activities in Nigeria.

The result of the study also shows that, predicting strength of the attitude of students towards business formation in Nigeria depends on their entrepreneurial interest. The study was in line with that of Osnabrugge (1998) who maintained that, the understanding of how investors prioritize their investment criteria will allow us to build better due diligence processes and potentially improve the overall investment process and resulting

outcomes. Bygrave & Zacharakis (2004) and Timmons & Spinelli (2004) who believe that entrepreneurship education is capable for imagination, flexibility, creativity, willingness to think conceptually, skills and the art to see change as an opportunity. This is also in consistent with the finding of Guerrero, Rialp and Urbano (2008) who reported that the entrepreneurial intentions and attitudes lead potential entrepreneurs towards entrepreneurial activity. They stressed that, the attitudes towards entrepreneurship are determinant factors to decide to be an entrepreneur

The study further revealed that enabling environment in Nigeria is not encouraging students to put into practice their entrepreneurial intention upon graduation. The result of the study is similar with that of scholars such as Scholars such Kisunko, Brunetti and Weder (1999); Mambula (2002); Ariyo (2005); Chu, Kara & Benzing (2008) and Gabadeen & Raimi (2012) maintained that problems of multiple taxes, poor government patronage, difficulty in getting registered/incorporate, headache of accessing funds in banks, harsh government regulations, high rate of inflation incidences of harassment/extortion by government officials, infrastructural decay, exorbitant cost of raw materials et cetera discourage entrepreneurial activities in the country. Similar, Baba (2013) posits that one of the challenges affecting entrepreneurs in Nigeria is the level of competition from foreign producers as the local entrepreneurs are not protected. He stressed that the situation is worsened by the apparent lack of faith in the Nigeria patent law which many entrepreneurs feel offers them little protection against piracy.

The study shows that students are satisfied with entrepreneur skills acquired. This indicates that entrepreneurial skill acquired is satisfactory for them to put into practice their entrepreneurial intention in Nigeria. This finding is contrary with that of Essia (2010) who reported that students knew little or nothing about starting or running businesses as part of the school work – it is either they were no taught at all, or were taught inappropriately. Nwibo and Okorie(2013) also reported that poor knowledge or experience in the line of business was one of the most important constraints faced by most agribusiness investors in the study area.

The study revealed that one of the problems affecting entrepreneur intention of students in Nigeria is capital. This finding further confirmed that of Financial constraints have already become the main factor restricting the development of rural economy in Nigeria (Ezike et al., 2009). Ogunde (2002) who opined that inadequate capital is the major problem to affecting entrepreneurs in Nigeria. Researchers such Wilberforce and Kofi (2012) also reported that, finance is one of the barriers that militate against the successful translation of the high career aspirations and overwhelming positive attitude towards business start-up. Similar, Baba (2013) echoes that, the most important concern of most of the potential or going entrepreneurs is that of finance.

Result of the study also revealed that the pride of students affects their entrepreneurial intention of upon graduation. This finding is similar with that of Adejimiola and Olufunmilayo (2009) rightly observe, graduates of Nigeria's tertiary institutions suffer from the certificate frenzy, and prepare their minds for 'white collar' jobs that have become increasingly hard to find, and while many of them remain jobless, underemployed, or disguisedly unemployed, a larger proportion of existing industries are owned by semi-literate entrepreneurs. Ifedili and Ofoegbu (2011) reported that the mindsets of learners discourage them from showing the necessary zeal and enthusiasm to all entrepreneurship activities in the classrooms and outside the classrooms.

Conclusion

This study investigates students entrepreneurial intentions and the constraints. The result of the study shows that students have acquired adequate skills for entrepreneurial aspiration and intention upon graduation in Nigeria. The entrepreneurial intention of students faced certain challenges, some of which include; finance, pride and enabling environment. These constraints militates students entrepreneurial intention in Nigeria. This insinuation will have adverse effect on entrepreneurial aspiration and intention of students upon graduation.

Recommendations

Based on the findings of the study, the following recommendations are made

1. Credit facility and support should be granted to school leavers that have passion and interest to set-up business ventures upon graduation. This will help to encourage the mind-set of graduates towards entrepreneurial activities in Nigeria
2. Graduates should be provided with psychological and moral support, this will help in addressing the perception pride of universities students that have negative attitude towards entrepreneurial activities upon graduation
3. There should be public orientation programme that will enlighten the Nigeria populace of importance of entrepreneurial activities on students' employability and self-reliance.
4. Government should try and improve on power supply, access roads, markets, security among others. The improvement will help in reducing problem of enabling environment.

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