

## Effect of Entrepreneurship Education on Entrepreneurial Intention among Nigeria Universities Students

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### **ABSTRACT**

*One of the serious challenges facing Nigeria today is the youth unemployment with the ripple effect of their resort to violent crimes. This paper examined the effect of entrepreneurship education on entrepreneurial intention among universities' students in Nigeria. Structured questionnaire was employed to collect data from one hundred and five (105) respondents through purposive sampling method. Linear regression was used with the aid of Statistical Package for Social Sciences (SPSS) to analyze the data collected in order to determine the effect of independent variable (entrepreneurship education) on dependent variable (entrepreneurial intention). The result showed that entrepreneurship education is a major source of inspirational trigger that positively impact on entrepreneurial intention. However, the result has a valuable implication for policy makers in higher education, school administrators and educators. It was therefore, recommended that for a nation to achieve meaningful and sustainable economic development adequate attention must be given to wide spread of economic activities through entrepreneurship education in our tertiary institutions.*

**Keywords:** Entrepreneurship, Entrepreneurial Intention, Entrepreneur and Entrepreneurship education

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### **INTRODUCTION**

Most countries would like to encourage entrepreneurship among students and graduates of higher education institutions or strengthen their willingness to undertake some kind of enterprising projects. Consequent upon this, the past two decades have witnessed significant growth in entrepreneurship education in most industrialized countries (Matlay and Carey, 2006). The number of entrepreneurship courses increased in the United States tenfold in the period from 1979 to 2001 (Katz, 2008) and investment in entrepreneurship programmes is still on the increase (Gwynne, 2008). The growth is seen as indicative of widespread governmental belief in the positive impact that entrepreneurship can have on the socio- economic and political infrastructure of a nation (Matlay, 2008). Public policy makers recognize the importance of entrepreneurship as promoter of economic development and hence the support instruments like entrepreneurial activities (Fayolle, Gailly and Lassas – Clerc, 2006). The European Commission (2008) endorses such support noting that the primary purpose of entrepreneurship education at higher education level is to develop entrepreneurial capacities and mindsets. The European Commission, therefore, recommends integrating entrepreneurship more fully into higher education curricula.

It seems that the entrepreneurial learning is an important mechanism for strengthening enterprising behaviour of students or for encouraging them to enter into self-employment. It facilitates the acquisition and development of appropriate competences as well as strengthens the entrepreneurial intentions (Zhao, seibert and Hills, 2005). From various studies above, it could be assumed that only individuals who possess appropriate knowledge, skills and attitudes and who have sufficiently strong entrepreneurial intention enter into entrepreneurship or enterprising ventures. They tend to establish a firm, create and commercialize innovations, establish coalitions or influence important decision makers in the organization to undertake innovative or intrapreneurial projects.

### **PROBLEM STATEMENT**

The economies of African countries are no doubt characterized by a growing population and a general decrease in formal employment as full employment guarantees stability, security, and balanced economic development. However, this full employment cannot be fully realized under the public sector-driven economy, hence the need for entrepreneurship education. Entrepreneurship education as introduced in tertiary institutions in Nigeria by the Nigerian Federal Government is expected to inculcate in students the practical skills and intentions needed to be self-employed and self-reliant, through the management of small –scale businesses. To this end, higher learning institutions like university, polytechnic and other tertiary institutions must empower their students with the needed entrepreneurial skills and intentions that will enable them to be self-employed. Despite the reported growth of the adoption of entrepreneurship education by Nigerian higher institutions, a gap seems to have developed between the introduction of entrepreneurship education and entrepreneurial intention. Many researchers provide evidences of positive relationship between entrepreneurship education and entrepreneurial intention and there are others whose studies in this area generally differ considerably. For instance, Idogho and Ainabor (2011); Ojeifo (2012) and Ewumi, Oyenuga and Owoyele (2012) found that entrepreneurship education as a means of developing entrepreneurial skills and potentials of students had a positive relationship with the entrepreneurial intention while Muhammad (2013) criticized entrepreneurship education for having no significant impact on the entrepreneurship skills and potentials of students. Therefore, there is need to empirically examine the effect of entrepreneurship education on entrepreneurial intention among Nigerian university students in order to fill this identified gap in literature and research questions are formulated accordingly.

1. What effect does entrepreneurship education have on entrepreneurial intention?
2. Does the teaching of entrepreneurship education create in students the strong desire to be self-employed?
3. Is there any relationship between entrepreneurship education and entrepreneurial intention?

### **STUDY OBJECTIVES**

The main objective of this study is to examine the effect of entrepreneurship education on entrepreneurial intention among Nigerian University students while the specific objectives are to:

- Know how the teaching of entrepreneurship education creates in students the strong desire to be self-employed.
- Evaluate the relationship between entrepreneurship education and entrepreneurial intention.

## RESEARCH HYPOTHESIS

The following null hypothesis was formulated for the study.

**H<sub>0</sub>:** Entrepreneurship education has no significant effect on entrepreneurial intention

## LITERATURE REVIEW

### Conceptual Framework

The term entrepreneurship has a history that dates back to 1732 when the Irish economist, Richard Cantillon used the word in reference to individuals with “a willingness to carry out forms of arbitrage involving the financial risk of a new venture” (Minniti and Levesque, 2008). Entrepreneurship is the capacity to harness the right quantity, quality and combination of resources that are consistent with profit making under risks and uncertainty. Essien (2006) defines entrepreneurship as the totality of self-asserting attributes that enable a person to identify latent business opportunities, together with capacity to organize needed resources with which to profitably take advantage of such opportunities in the face of calculated risks and uncertainty. In the view of Nwachukwu (2007), entrepreneurship is the ability to set up a business-enterprise as different from being employed. It involves the acquisition of skills, ideas and managerial abilities necessary for self-reliance. Entrepreneurship in any country is important for reducing unemployment with the zeal of entrepreneurship very valuable jobs will be created, not just for the entrepreneurs but also for others (George and Archibong, 2010). An entrepreneur is the person who carries out the functions of the entrepreneurship. An entrepreneur is a person who creates new business by taking risks and uncertainty in order to gain some benefits and growth in business by identifying the opportunities and combining different resources required to establish the new business (Zimmerer and Scarborough, 2004).

### Entrepreneurship Education

Literature review in entrepreneurship education shows that there are two schools of thought regarding the conceptual framework for teaching entrepreneurship. One is the “new venture creation” and the other is known as “innovation” (Saks and Gannglion, 2002). Entrepreneurship education tries to develop in the participants the intention to perform entrepreneurial behaviours, knowledge and desirability of the entrepreneurial activity (Linan, 2004). Entrepreneurship education is any pedagogical programme or process of education for entrepreneurial attitudes and skills which involves developing certain personal qualities. It is therefore, not exclusively focused on the immediate creation of new businesses (Fayolle *et al*, 2006). Linan (2004) finds that there are four different kinds of entrepreneurship education programmes. The first, “Entrepreneurial Awareness Education” aims to increase knowledge about entrepreneurship and to influence attitudes that may impact intentions. The second category is described as “Education for start-up”. These programmes are geared toward people who generally already have an entrepreneurial idea and need to solve practical questions about becoming self-employed. The third category, “Education for Entrepreneurial Dynamism” focuses on people who are already entrepreneurs and want to promote

dynamic behaviours after the start-up phase. The last category, “Continuing Education for Entrepreneurs” describes life-long learning programmes and focuses on experienced entrepreneurs.

### **Entrepreneurial Intention**

The theory of planned behaviour is linked between attitudes and behaviours (Ajzen, 1991). Intentions predict deliberate behaviours because behaviour can be planned. Intention is assumed to take hold of emotional factors that influence behaviour and indicate one’s effort to try to perform intentional behaviour. Intention models belong to the umbrella of social cognitive theory, proposed and developed by Bandura (1986). The central tenet of social cognitive theory is that individuals can influence their own actions (Ratten and Ratten, 2007). Social cognitive theory proposes a framework for understanding, predicting and changing human behaviour (Davis, 2006). Within this umbrella, intention models contribute to the area of predicting behaviour. Intention represents a person’s motivation to make an effort to act upon a conscious plan or decision (Conner and Armitage, 1998).

Entrepreneurial intention is hence, a person’s motivation to make a conscious plan to perform the behaviour of setting up a business. Thompson (2009) defines entrepreneurial intention as self acknowledged conviction by persons that they intend to set up a new business venture and consciously plan to do so at some point in the future (Thompson, 2009). Thus, entrepreneurial intention is not merely a yes or no question but can range from very low, zero, to a very high level of intention to set up a business (Thompson, 2009). That links very well to the general rule defined by Ajzen (1991) that the stronger the intention is, the more probable the behaviour hence, entrepreneurial intentions function as a mediator or catalyst for actions (Fayolle et al. 2006 and Michael, 2011). In the context of entrepreneurship, intention is identified as the important property for establishing an organization (Kantz and Gartner, 1988) and as a predictor of new reliable and sustainable enterprise (Krueger, Micheal and Casrud, 2000).

### **Empirical Studies on the Relationship between Entrepreneurship Education and Entrepreneurial Intention**

The argument on the impact of entrepreneurship education on the entrepreneurial intention has been in the front burner for decades. This has geared up many researchers and scholars on the subject to conduct researches that could beam light on the issue. It is in this spirit that this study attempts to review the past research studies. Considering a study conducted by Idogho and Ainabor (2011), the study investigated the extent to which the entrepreneurship education introduced in tertiary institutions in Nigeria has impacted in students, the entrepreneurial skills and intentions needed to set up a new business. The result of the analysis conducted showed that there is a positive correlation between the variables. It also found that students who received instructions in entrepreneurship education showed a greater desire to set up small scale businesses after graduation.

In similar studies on college students’ intention to become entrepreneurs, Christian (2000) studies on Batak students’ intention to be entrepreneurs and found that 65% of the respondent had intention to be entrepreneurs. Another study on Baliness students’

intention showed that out of 105 respondents, 39.5% stated their intention to be entrepreneurs and 35% more stated their desire to be entrepreneurs (Lie, 2004). Similar study carried out by Gerald (2006) on Javanese students' intention to be entrepreneurs found that out of 194 respondents, 30.4% stated their intent to be entrepreneurs and 22% stated their desire to be entrepreneurs. Furthermore, a study conducted by Muhammad (2013) on the impact of business education and family background on entrepreneurial potential of students from various universities of Pakistan revealed that business and commerce education has no significant impact on the entrepreneurial skills and potential of students while the research carried out by Ewumi *et al.* (2012) on the entrepreneurship education as panacea for youth unemployment: implication of vocational counseling for sustainable national development found the entrepreneurship education will assist students to create wealth in future.

### **Entrepreneurship Skill and Entrepreneurial Intention**

If you ask a self-made entrepreneur whether entrepreneurship can be taught, he will most probably answer "No". But the study by Autio, Keeley, Klofsten and Ulfstedt (1997) that investigated entrepreneurial intention of University students in various cultural contexts indicated that the encouragement from university environment affects the entrepreneurial confidence of university students. Educational support through professional education in universities is an efficient way of obtaining necessary knowledge about entrepreneurship. This is supported by the study done by Wang and Wong (2004) who point out that entrepreneurial dreams of many students are hindered by inadequate preparation of the academic institution. The school and education system also play a critical role in identifying and shaping entrepreneurial traits (Ibrahim and Soufani, 2002). Other studies have pointed out that entrepreneurship education, especially education that provides technological training, is crucial to enhance entrepreneurs' innovation skills in an increasingly challenging environment (Galloway and Brown, 2002).

### **METHODOLOGY**

The study adopted a survey research design. It was chosen because the sampled elements and the variables that are being studied are simply being observed as they are without making any attempt to manipulate them. All final year students of Ladoko Akintola University of Technology, Ogbomosho, Nigeria taking entrepreneurship education as a course were considered as study population. The study also considered only the full time students across all departments in the institution. The choice of the study area was purposive and convenient. Self administered structured questionnaire served as operational instrument to collect random sampling primary data from 105 respondents. Linear regression was used with the aid of Statistical Package for Social Sciences (SPSS) for data analysis.

### **Reliability and Validity**

#### **Entrepreneurship Education Questionnaire**

This scale was used to measure entrepreneurship education, the responses were rated on the Likert-scale format, with answers ranging from 5 to 1 (5=always and 1=never). This scale was developed and validated by Sang *et al.* (2005).

### Entrepreneurial Intention Questionnaire

This scale was used to assess respondents' perceived levels of entrepreneurial intention. The scale was developed and validated by Sang et al. (2005). The response format was in Likert form with indicants ranging from *strongly agree (5) to strongly disagree (1)*. It consisted 7 items and the scoring procedure indicates that high scores represent high perceived entrepreneurial intention and low scores imply low perceived entrepreneurial intention. We reported Crombach reliability alpha of 0.72, while when regressed with level of intention; the relationship was moderately high having being 0.77. The instrument was subjected to further revalidation in order to determine its soundness. Therefore, the reliability alpha coefficient obtained for the seven items in the current study was 0.68.

### DATA ANALYSIS

**Table 1: Summary of the Result of Linear Regression Analysis Showing the Relationship between Entrepreneurship Education and Entrepreneurial Intention**

Model	R Square	Adjusted R Square		Root MSE	
1	0.139	0.130		0.168066	
Source	Sum of Square	Df	Mean Square	f	Sig
Model					
Regression	0.005	1	0.005	16.576	0.000 <sup>b</sup>
Residual	0.029	103	0.000		
Total	0.034	104			
Model	coef.	std error	beta	t- value	Sig
(Constant)	0.635	0.045	.372	14.137	0.000
Globalization	0.008	0.002		4.071	

\*\*\* Statistical Significant at 1% level.

Source: Field Survey, 2015.

From the above table 1, the result of regression analysis model showed the relationship between entrepreneurship education and entrepreneurial intention. The table indicated that entrepreneurship education contribute 13.9% to entrepreneurial intention with ( $R^2=.139$ ,  $F(1,103)=16.576$ ,  $P<.01$ ). This implies that entrepreneurship education influences entrepreneurial intention at 1% level. This result conforms to Wilson, Kickul and Marlino, (2007) who pointed out that formal entrepreneurship education provides students' entrepreneurial intention by providing them with attitudes, knowledge and skills to cope with the complexities embedded in entrepreneurial tasks such as opportunity seeking, resource assembling and leading the business to success. It was revealed that entrepreneurship education with ( $\beta=.372$ ,  $t=14.137$ ,  $p<0.1$ ) is positive and significantly related with entrepreneurial intention in the study area. This implies that entrepreneurial education has decisive influences on the entrepreneurial intention. This result is in line with the findings of Zerbinati and Al- Laham (2007) that exposure to entrepreneurship education increases entrepreneurial intention with changes in attitudes and intentions towards entrepreneurship and these trainings need proper teaching strategies compatible with the student-centered approach.

## CONCLUSION AND RECOMMENDATION

On the basis of the findings of this study, it can be concluded that the teaching of entrepreneurship courses can provide entrepreneurial intention among students and a platform for future growth of small scale businesses. The study found that entrepreneurship education has significant effect on entrepreneurial intention. The current study illustrated that proper entrepreneurship education exposure will enable students to have positive attitudes towards choosing entrepreneurship as a career. Entrepreneurship education needs a different teaching pedagogy in which it is linked to work-related learning, action-learning and entrepreneurial training (Smith, 2001). This is in line with the steps taken by Ladoke Akintola University of Technology in offering entrepreneurship courses to all students so as to improve their entrepreneurial intention.

Based on the above conclusion, the following recommendations are hereby made for the promotion of entrepreneurship education in Nigeria:

- The study recommends an intensification of the programme of instruction for entrepreneurship education among Nigerian tertiary institutions.
- A well articulated entrepreneurship education should offer more than self-employment that will contribute to national development.
- Entrepreneurship skills can be reactivated among students at all levels of education through entrepreneurship education thereby making them psychologically ready for business venture before leaving schools.
- It recommends that all stakeholders, governments at all levels, Non-Governmental Organizations (NGOs) and corporate bodies should help to train individuals in entrepreneurship and also empower them to set up their own businesses.
- Governments should provide essential facilities including human and material resources, workshops and in-service training to maximize both input and output of entrepreneurship education.
- The society should assist the governments in policy implementation. Community leaders should be counseled to be involved in spreading the good-news of entrepreneurship education.

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