The Influence of Perceived Desirability on the Entrepreneurial Intentions of University Students in Plateau State

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Abstract

Perceived desirability, a phenomenon which represents the propensity of an individual to act in an entrepreneurial manner based on the criteria of attitude towards entrepreneurship and Social/Subjective norms was used to assess the entrepreneurial intentions of University students in Plateau State. The Study was concerned with the rising unemployment in the predominantly civil service State which seem to have a corresponding decrease in the personal attractiveness of starting a business. It therefore aimed at assessing the entrepreneurial intentions of Students from the two Universities in the State using Shapero and Sokols' concept of 'perceived desirability'. Data for the analyses were collected from Primary sources (Questionnaires with moderate Guttmann reliability coefficient of 0.630) from a total population of 184. The Krejcie, & Morgan, (1970) table for sample size determination was used to arrive at the sample size of 123. The data was analyzed using the Logistic regression modeling technique which revealed that attitude towards entrepreneurship does not have significant influence on the entrepreneurial intentions of University students in Plateau State. However, Social/Subjective norms have significant influence on the entrepreneurial intentions of University students in Plateau State. The study therefore recommends that cultural values be encouraged among University students but, more so, that the values espoused should be tailored towards the promotion of entrepreneurship.

Keywords: Perceived Desirability, Social/Subjective norms, Attitude, Entrepreneurial intentions

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Background to the Study
The field of entrepreneurship has received broad acceptability globally because of its contributions to economic progress around the world. Its acceptance as a vocational option has attracted the attention and endorsement of Governments globally but more profoundly, the scrutiny of researchers (Remeikiene, Startiene, & Dumciuviene, 2013). Several scholars (Fini, Grimaldi, Marzocchi and Sobrero, 2009) agree that appropriate research effort towards understanding entrepreneurship would require a working knowledge of psychological literature because entrepreneurial actions are intentional processes (Krueger, Reilly & Carsrud, 2000), not political processes. Perceived desirability, a psychological construct which represents the propensity of an individual to act in an entrepreneurial manner based on the criteria of attitude towards entrepreneurship and Social/Subjective norms, was carved out from Shapero and Sokol (1982) and Ajzen (1991), by Krueger, (1993).

Statement of the Problem
The Nigerian government has over the years focused on policies which have had little regards to the perceived desirability of the individuals being financially reinvigorated for entrepreneurship. These government policies gave birth to initiatives such as the setting up of Small and Medium Industries Equity Investment Scheme (SMIEIS), Small and medium Enterprises Development Agency of Nigeria (SMEDAN), National Empowerment and Economic Development (NEEDS), 'YouWin' for youths and 'G-Win' specifically for females, among others. These initiatives, though well intended, have neither decreased unemployment rates, nor increased entrepreneurial intentions among University graduates. Most graduates in the country still look up to the government for employment even as unemployment figures keep fluctuating, indicating the symptoms of an ailing economy. As at January 2012, the unemployment rate stood at 6%. It galloped to 10.6% in January 2013 but dwindled to 10% in January 2014. Unemployment further dwindled to 6.4% in January 2015 before its sudden and consistent rise to the most recent and highest rate, 12.1%. (http://www.nigerianstat.gov.ng/nbslibrary/social-economic-statistics). This suggests that the entrepreneurial intentions of University students should be of interest to both researchers and government as pre-conditions for channeling financial resources towards new entrepreneurial initiatives in Nigeria.

Objectives of the Study
The major objective of this paper is to examine the effects of perceived desirability on the entrepreneurial intentions of University Students in Plateau State. Specifically, the study seeks to:
1. Examine the influence of attitude towards entrepreneurship on entrepreneurial intentions of University students in Plateau State.
2. Examine the influence of Social/Subjective norms on the entrepreneurial intentions of University students in Plateau State.

Research Questions
1. Does attitude towards entrepreneurship of University students influence their entrepreneurial intentions in Plateau State?
2. Do Social/Subjective norms influence the entrepreneurial intentions of University Students in Plateau State?
Hypotheses

$H_{01}$: Attitude towards entrepreneurship does not have significant influence on the entrepreneurial intentions of University students in Plateau State.

$H_{02}$: Social/Subjective norms do not have significant influence on the entrepreneurial intentions of University students in Plateau State.

Literature Review

Conceptual Framework

The antecedents of a person’s intention to adopt a certain behaviour has been identified to include ‘attitude towards behaviour’ and ‘Social/Subjective norms’, (Ajzen, 1991) and these antecedents were adapted into entrepreneurship research by Kolvereid, (1996). Perceived desirability being the attractiveness of generating an entrepreneurial event, corresponds or relates with ‘attitude towards entrepreneurship’ and ‘Social/Subjective norms’ (Krueger, 1993) and these individual factors are considered major triggers of entrepreneurial intentions (Ajzen & Fishbein, 1969).

Perceived Desirability

According to Shapero and Sokol, (1982) Perceived desirability refers to the attractiveness of generating the entrepreneurial event, i.e. start-up of a venture or company, while perceived feasibility refers to the degree to which one believes that he or she is personally capable of forming a company. Perceived desirability is the degree to which people consider themselves personally able to carry out a certain behaviour which in this case is ‘becoming an entrepreneur’. This perception is basically determined by cultural and social factors through their influence on the individual's value system (Shapero & Sokol, 1982). Perceived desirability can be interpreted into how attractive the idea of starting a business is. Krueger (1993) found that perceived desirability, perceived feasibility and propensity to act are crucial personality characteristics that largely influence entrepreneurial intentions. Fitzsimmons and Douglas (2011) found entrepreneurial intentions to be positively related to perceived desirability. In an earlier study conducted by Krueger et al. (2000), they tested the attitude-intentions of students and found a significant influence of the perceived desirability on intention. To further confirm to their findings, Scholten, Kemp, & Omta, (2004) results also revealed that there is a very strong influence of perceived desirability on intention whereby attitude is seen to be a deterministic variable for intention; with every variation in attitude directly leading to a variation in same extent for entrepreneurial intention.

Attitude towards Entrepreneurship

Attitude can be viewed as the degree to which a person has a favourable or unfavourable evaluation of the behavior in question. Hence, Van Gelderen and Jansen, (2006), posited that the more positive an individual's perception is regarding the outcome of starting a business, the more favourable their perceived desirability towards that behaviour. Kim and Hunter, (1993) established that intentions predict behaviour but specifically, that attitude towards a behaviour is a powerful antecedent of intentions. This attitude towards entrepreneurship has been related directly with perceived desirability (Krueger and Brazeal, 1994). The influence of attitude towards entrepreneurship (which is a sub-set
of Perceived desirability) on entrepreneurial intentions, is best explained by the Theory of Planned Behavior (TPB) developed by Ajzen (1991). TPB model is important because of its detailed and consistent theoretical specification with the great amount of cross-disciplinary research explanation and applications (Armitage and Conner, 2001). In Nigeria, a study was conducted by Inegbenebor and Ogunrin (2010) and their finding revealed that there is a positive relationship between attitude and entrepreneurial intentions among Nigerian undergraduate students.

**Subjective Norm**

Subjective norms can be viewed as the perception that 'reference people' approve with regards to the decision to become an entrepreneur (Ajzen, 2001). It would measure the perceived social pressure to carry out (or not to carry out) that entrepreneurial behavior. In a multi-ethnic society like Nigeria where ethnic and religious polarization are factors that significantly influence the way businesses are transacted however, Kickuland Krueger (2004) were right in advancing a cultural and situational context to the understanding of entrepreneurship because a valid criticism trails the use of uncompromising models. It is a fairly established fact that the factors triggering entrepreneurial intentions vary both across cultures and within cultures (Davidsson and Wiklund, 1997) and they may present unique situational approaches for understanding intentions. Even though some scholars like Moriano, Gorgievski, Laguna, Stephan and Zarafshani, (2012), embrace culture's universal effects on variables that predict entrepreneurial intentions, the differences that seem obvious not only in culture but also in the context of entrepreneurial environments provoke deeper questions and empirical veracity.

**Entrepreneurial Intentions**

The role of intentions has been widely acknowledged to be relevant in entrepreneurship studies possibly because of its ability to predict individual behaviour as well as entrepreneurial outcomes (Ajzen, 1991). Intentions have been defined as the degree of commitment towards some behaviour, which is targeted at starting a business or an organization (Krueger 1993). Entrepreneurship has been identified as a process that occurs over a period of time (Belchard, Grelgoire, Kyrol’, Carrier, 2005). The process begins with an intention. The intention to carry out a certain behavior may be affected by several factors which include needs, wants, habits and beliefs (Bird, 1988). Ajzen (1991) views 'antecedents' as the set of cognitive variables that would exert their influence on intention (attitude towards behavior, perceived Social/Subjective norms and perceived behavioural control). He opined that intention, being an immediate antecedent of behaviour is not a haphazard disposition, but it is a carefully and consistently planned behaviour that is reinforced by rewards. This goes to say that the reality of a person's potentials to be an entrepreneur is not sufficient to make him/her one. The practical transition from entrepreneurship potentials to the acting of such behaviour is particularly bridged by intentions. According to Thompson, Jones-Evans, & Kwong, (2009), entrepreneurial intention is substantially more than merely a proxy for entrepreneurship. It is a legitimate and useful construct in its own right that can be used as not just a dependent, but as an independent and a control variable. Several empirical studies (as
highlighted in the empirical framework of this study) reveal that intention is an important factor in triggering new venture establishment. Krueger, Reilly, & Carsrud, (2000), particularly emphasized that individuals do not start a business as reflex; they do it intentionally and not by chance.

**Theoretical Framework**

**Entrepreneurial Event Theory**
The Theory of Entrepreneurial event was propounded by (Shapero and Sokol, 1982) and it asserts that the intention to start a business is derived from perceptions of desirability, feasibility and from a propensity to act upon opportunities. The theory assumes that inertia guides human behaviour until something interrupts or displaces that inertia. Displacement is seen as a negative factor e.g. the loss of a job or divorce, but it can be positive, such as getting an inheritance or winning a lottery (Krueger et. al., 2000).

'Perceived Desirability', which is basically an intuitive instinct in the intentions process is the personal attractiveness of starting a business, including both intrapersonal and extra personal impacts. It is the individual's perceptions of desirability of entrepreneurship, emotions, personal values and attitudes that influence entrepreneurial behaviour. The theory assumes that perceived desirability measures the individual's perceived attraction towards a given behaviour.

**Theory of Planned Behaviour**
The theory of Planned Behaviour was propounded by Ajzen (1991) and adapted into entrepreneurship research by Kolvereid, (1996). The theory assumes that any behaviour requires a certain amount of planning and it can be predicted by the intention to adopt that behaviour. The theory fuses “perceived behavioural control” to subjective norms and attitudes, to clearly explain the relationship between behavioural intention and actual behavior. The TPB is one of the most widely used theories in predicting behaviour and its applicability to the entrepreneurship domain has received overwhelming acceptance. Ajzen's intentions- centred 'theory of planned behaviour' is attractive, well grounded in theory, and robustly predicts a wide variety of planned behaviours.

**Empirical Framework**
Iakovleva, and Kolvereid (2009) developed an integrated model of entrepreneurial intentions by integrating the theory of Planned behaviour (Ajzen, 1991) and the model of the entrepreneurial event (Shapero and Sokol, 1991) with the aim of clarifying the differences between different types of entrepreneurial intentions. The model was tested (descriptive statistics, correlation and regression analyses) using data from 324 Russian University business students. The results revealed that two intention models can be successfully integrated into one. The result implies that attitude, subjective norm and perceived behavioural control determine desirability-feasibility, which in turn determines intentions. Empirical studies show that a positive attitude towards entrepreneurship and a willingness to venture into a new business is prevalent among students in Kigali Independent University (ULK). Marvin, and Tchana (2014) analyzed 367 students to arrive at that conclusion in their effort to determine the readiness of students at ULK towards entrepreneurship.
Frazier and Nichm (2005) focused on the influence of vicarious experience, entrepreneurial orientation, attitudes towards self-employment and subjective norms on entrepreneurial intentions. The study used self-administered questionnaires which were issued to 129 undergraduate students of the Family and Consumer Sciences (FCS) - a discipline not directly related to entrepreneurship or Business. The results showed that students' major family occurrence of entrepreneurship, and internship experience has significant influence on entrepreneurship intentions.

**Methodology**

Data for the analyses were collected from Primary sources (Questionnaires) only. The Krejcie, & Morgan, (1970) table for sample size determination (See Appendix) was used to arrive at the sample size of 123 from a total population of 184. The population is made up of 136 final year students of Business Management from the University of Jos and 48 final year Business Management students of Plateau State University, Bokkos. The questionnaires were administered to students of Business Administration Department because the programme provides more entrepreneurship-related courses than other disciplines within the two Universities. The response rate was 100 percent for both Universities. Logistic regression was used to analyze the data collected.

**Data Analysis and Interpretation**

**Model Specification**

The functional form of the logistic regression model is stated as:

\[
L_i = \ln \left( \frac{P_i}{1 - P_i} \right) = \beta_1 + \beta_2 ATT + \beta_3 SCN
\]

- \(L_i\) is the logit.
- \(P_i\), the probability of entrepreneurship intention assigned as, 1
- \(1 - P_i\), the probability of no entrepreneurship intention assigned as, 0
- \(\ln\) = log
- \(ATT\) = Attitude towards entrepreneurship
- \(SCN\) = Social/Subjective norms
- \(\beta_1\) = Intercept of the logistic model
- \(\beta_2\) = Coefficient of attitude towards entrepreneurship
- \(\beta_3\) = Coefficient of Social/Subjective norms

**Result and Discussion of Findings**

**Table 1: Reliability Statistics**

<table>
<thead>
<tr>
<th></th>
<th>Guttmann</th>
<th>N of Items</th>
</tr>
</thead>
<tbody>
<tr>
<td>.630</td>
<td>19</td>
<td></td>
</tr>
</tbody>
</table>

The value of the Guttmann reliability coefficient shows the average correlation among the items of the scale. The value ranges between 0 and 1, it shows that the value of 0 indicates low reliability while 1 indicates high reliability. A value of 0.7 is generally recommended.
But to Hinton, Brownlow, McMurray, & Cozens (2004) an “Alpha score above 0.75 is generally taken to have a high reliability, 0.5-0.75 indicate a moderate reliable scale, and a value below indicates a low reliability”. The result in Table 1 shows that the instrument is reliable based on the Guttman’s reliability test.

### Table 2: Case Processing Summary

<table>
<thead>
<tr>
<th>Unweighted Cases&lt;sup&gt;a&lt;/sup&gt;</th>
<th>N</th>
<th>Percent</th>
</tr>
</thead>
<tbody>
<tr>
<td>Included in Analysis</td>
<td>110</td>
<td>89.4</td>
</tr>
<tr>
<td>Missing Cases</td>
<td>13</td>
<td>10.6</td>
</tr>
<tr>
<td>Total</td>
<td>123</td>
<td>100.0</td>
</tr>
<tr>
<td>Unselected Cases</td>
<td>0</td>
<td>.0</td>
</tr>
<tr>
<td>Total</td>
<td>123</td>
<td>100.0</td>
</tr>
</tbody>
</table>

<sup>a</sup> If weight is in effect, see classification table for the total number of cases.

Table 2 shows the summary of sample data used for the study. The result shows that 110 out of 123 were used for analysis while 13 accounted for missing value. The number of independent variables for this study is 2 which meets the requirement for further analysis as there are less than 10 independent variables for this study. The violation of this requirement leads to large standard error making the logistic regression estimation method inconsistent.

### Table 3: Dependent Variable Encoding

<table>
<thead>
<tr>
<th>Original Value</th>
<th>Internal Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>No Entrepreneurship Intention</td>
<td>0</td>
</tr>
<tr>
<td>Entrepreneurship Intention</td>
<td>1</td>
</tr>
</tbody>
</table>

Table 3 shows that the logistic regression is used to analyze relationships between a dichotomous dependent variable and metric or dichotomous independent variables. The variate or value produced by logistic regression is a probability value between 0.0 and 1.0.

### Table 4: Omnibus Tests of Model Coefficients

<table>
<thead>
<tr>
<th>Chi-square</th>
<th>df</th>
<th>Sig.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Step 1</td>
<td>11.351</td>
<td>2</td>
</tr>
<tr>
<td>Block</td>
<td>11.351</td>
<td>2</td>
</tr>
<tr>
<td>Model</td>
<td>11.351</td>
<td>2</td>
</tr>
</tbody>
</table>

Table 4 shows the result for the test of model fit. For this study, goodness-of-fit statistics help you to determine whether the model adequately describes the data. The Hosmer-Lemeshow statistic indicates a poor fit if the significance value is less than 0.05. Here, the model adequately fits the data, because the P-value is less than the level of significance of 0.05.
Table 5 shows the coefficient of determination, $R^2$. The Cox and Snell $R^2$ and Nagelkerke $R^2$ are used to determine the variation of the dependent variable as a result of the changes in the independent variables. Here it is indicating that 9.8% and 21.5% of the variation in the dependent variable is explained by the independent variable in logistic model.

<table>
<thead>
<tr>
<th>Step</th>
<th>-2 Log likelihood</th>
<th>Cox &amp; Snell R Square</th>
<th>Nagelkerke R Square</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>55.669*</td>
<td>.098</td>
<td>.215</td>
</tr>
</tbody>
</table>

Table 6 shows the result of the logistic regression for the influence of perceived desirability on the entrepreneurial intentions of university students in Plateau state. The coefficient of the variable *attitude towards entrepreneurship* shows that there is a positive relationship to entrepreneurial intentions of university students in Plateau State.

The result revealed that attitude towards entrepreneurship generates the urge to engage in entrepreneurship. It shows that there is 1.374 chances of attitude towards entrepreneurship rousing students into becoming entrepreneurs.

But, the effect shows an insignificant relationship as the p-value (0.434) is greater than the significant level of 0.05. Therefore, the null hypothesis is upheld while the alternate rejected and conclude that attitude towards entrepreneurship does not have significant influence on the entrepreneurial intentions of University students in Plateau State.

The value of Social/Subjective norms shows a positive relationship to entrepreneurial intentions of university students in Plateau State. The result pointed out that Social/Subjective norms brings about entrepreneurship intention of university students in Plateau state. It discloses that Social/Subjective norms is more likely to prompt entrepreneurship intention among these students by 3.130 times.

However, the effect shows a significant relationship as the p-value (0.004) which is less than the significant level of 0.05. Therefore, the null hypothesis is rejected, as there are no enough reasons to uphold it while the alternate accepted and conclude that Social/Subjective norms have significant influence on the entrepreneurial intentions of University students in Plateau State.

<table>
<thead>
<tr>
<th></th>
<th>B</th>
<th>S.E.</th>
<th>Wald</th>
<th>df</th>
<th>Sig.</th>
<th>Exp(B)</th>
</tr>
</thead>
<tbody>
<tr>
<td>ATT</td>
<td>.318</td>
<td>.406</td>
<td>.612</td>
<td>1</td>
<td>.434</td>
<td>1.374</td>
</tr>
<tr>
<td>SCN</td>
<td>1.141</td>
<td>.395</td>
<td>8.337</td>
<td>1</td>
<td>.004</td>
<td>3.130</td>
</tr>
<tr>
<td>Constant</td>
<td>-3.248</td>
<td>1.979</td>
<td>2.693</td>
<td>1</td>
<td>.101</td>
<td>.039</td>
</tr>
</tbody>
</table>

a. Variable(s) entered on step 1: ATT, SCN.
Discussion of Findings

Based on the result of the logistics regression, it shows that:

i. The first hypothesis indicated that null hypothesis is upheld while the alternate rejected and conclude that; attitude towards entrepreneurship does not have significant influence on the entrepreneurial intentions of University students in Plateau State. The result is consistent with Inegbenebor and Ogunrin (2010) their finding revealed that there is a positive relationship between attitude and entrepreneurial intentions among Nigerian undergraduate students. It also conforms to Tkachev & Kolvereid (1999) whose result showed that perceived desirability has direct and positive effect on entrepreneurial intentions.

ii. Subsequently, for the second hypothesis, the null hypothesis was not upheld, as there are enough reasons to reject it while the alternate accepted and conclude that; Social/Subjective norms do have significant influence on the entrepreneurial intentions of University students in Plateau State. The result is consistent with Nguyen, Bryant, Rose, Tseng, and Kapasuwan, (2009) who examined the impact of National cultural values and the development of market institutions on three aspects of entrepreneurship (desire, intention and confidence in creating new ventures). Using samples from Vietnam, Taiwan and the United States of America (US), they concluded that culture has a significant impact on individuals' desires to create new ventures.

Summary, Conclusions and Recommendations

Perceived desirability, a phenomenon which represents the propensity of an individual to act in an entrepreneurial manner based on the criteria of attitude towards entrepreneurship and Social/Subjective norms have been analyzed among University students in Plateau State. From data presented, we conclude that attitude towards entrepreneurship does not have significant influence on the entrepreneurial intentions of University students in Plateau State. On the other hand, Social/Subjective norms have significant influence on the entrepreneurial intentions of University students in Plateau State. This implies that people in Plateau State attach importance to values and norms of the society despite their enormously diverse nature of cultures within the State.

This study recommends that a unifying fora should be created or developed for young intending entrepreneurs to share ideas on how to take advantage of the numerous opportunities within the State. Furthermore, the Universities should encourage students to use institutions that promote norms and values for the propagation of entrepreneurship. Example of such institutions include Churches and Mosques.
References


