The influence of self-efficacy and socio-demographic factors on the entrepreneurial intentions of selected Youth Corp members in Lagos, Nigeria

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Abstract. This study examines the influence of self-efficacy and socio-demographic factors on the entrepreneurial intentions of selected Youth Corp members. The study adopted a cross-sectional survey design and a sample size of 300 National Youth Service Corp members were randomly selected in the five divisions of Lagos State with ages ranging from 18 to 30. Three hypotheses were tested using multiple regression and t-tests. The results show that there is a significant joint influence of sex, age, ethnicity and self-efficacy on entrepreneurial intentions ($r^2 = 0.90; P < .01$); male participants are more susceptible to entrepreneurial intentions than their female counterparts ($t = 26.46, P < .01$) and that Youth Corp members with a high self-efficacy rate significantly higher on entrepreneurial intentions ($t = 25.09, P < .01$). Based on these findings, the study recommended that a self-efficacy programme should be included in the school curriculum so as to enhance entrepreneurial intentions among fresh graduates and, by so doing, reducing the high rate of unemployment in society. It was also recommended that future studies should use a larger sample and explore experimental methods so as to see if a causal relationship can be established among variables.

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1. Introduction

The rapid change brought about by a new phase of globalization, combined with a deteriorating economy in Nigeria and the international economy generally, have shrunk recruitment and significantly altered employment conditions in many of the traditional types of employment that in time past, absorbed most unemployed people and university graduates.

Like most developing nations of the world, Nigeria is faced with a myriad of problems including disease burden, social conflicts, poverty, ethnic strife and unemployment. Of these problems, unemployment seems to be a common denominator to other problems. Nigeria, as a nation, has been struggling with social and economic crises. Specifically, graduate unemployment in the last fifteen years has grown rapidly. The rate of unemployment among Nigerian youth, particularly graduates from various tertiary institutions is quite alarming as these institutions continuously churn out armies of graduates (human capital), only for them to be searching for white collar jobs to no avail. The majority of these graduates roam the streets with no particular job in mind and are sometimes forced into criminal activities.

Today in Nigeria, fresh graduates are more likely to see a career rather than establishing their own enterprises as a positive way of escaping unemployment. New firms appear to provide 2% to 15% of the current jobs in the GEM countries (Reynolds et al., 2004). However, the scariest undertone of Nigeria’s socio-economic underachievement, by far, is the steady rise in youth crime, nurtured in a climate of increasing national income and the simultaneous failure of employment generation and poverty alleviation programmes. The key challenge for Nigeria in the context of its long-term growth prospects remains the mobilization of its substantive youth population to lead an entrepreneurial revolution. More important-
ly, Nigeria’s over-dependence on oil has contributed immensely to her economic recession. The situation did not improve significantly until the late 1980s when macro-economic variables began to rejuvenate as more development variables were injected into the process of her development. The new value systems introduced include inter-industry relationships, re-structuring of production and distribution processes, recognition of micro and macro enterprises, a new role assigned to the development of entrepreneurship, enhanced international competitive power, economic restructuring, industrial development and employment generation strategies. These were targeted to improve standards of living (Krueger, 2005).

The role assigned to entrepreneurship for economic growth and development especially in developed economies such as USA, Britain, Japan, Canada and others made most developing economies adjust their developmental concept and plan to see new enterprise development as vital to their economic problems (Allen et al., 2006). Entrepreneurship, as the engine of economic growth and the wheel of economic development, has been recognized for its importance in the area of job creation, revenue generation, poverty alleviation and wealth creation (Macke, Markley, 2003). Among several factors found to influence willingness to undertake entrepreneurial activity are psycho-social and cultural factors such as gender differences, family background, ethnicity, age, educational background and self-efficacy (Bagby, 2004).

Entrepreneurship is the process of wealth creation and those individuals referred to as entrepreneurs create wealth by innovatively operating competitive businesses. The entrepreneur assumes the major risks in terms of equity, time, and/or career commitment of providing value for some product or service. The product may not be new or unique, but entrepreneurs add value to make it more competitive (Lüthje, Franke, 2004). An entrepreneurial approach is seen by many researchers and policy makers as an answer to innovation and business competitiveness in this era (Hisrich, 2008).

Entrepreneurship offers a viable alternative to industrial recruitment as a sustainable development strategy. Consequently it has been described as the process of creating something new with value by devoting the necessary time and effort, assuming the accompanying financial, mental and social risks, and receiving the resultant monetary rewards and personal satisfaction and independence (Hisrich, Peters, 2002). This definition stresses four aspects of being an entrepreneur: the creation of something new with value to the entrepreneur and to the market concerned with the new product or service; the devotion of the necessary time and effort to make a new idea operational and bring it to market; and the assumption of the necessary risks (financial, psychological or social) as well as reaping the rewards for one’s efforts. Monetary rewards are frequently identified as the indicator for success of the entrepreneur. Nevertheless, most entrepreneurs indicate independence and personal satisfaction as the most important personal rewards (Lüthje, Franke, 2003).

Entrepreneurial intention is an important first step in an entrepreneurship process. Intention is considered as the most immediate and important antecedent of behaviour; hence it is consequently a strong predictor of entrepreneurial activity (Gul-ruh, 2010). Entrepreneurial intention is one’s willingness to undertake entrepreneurial activity, or in other words become self employed. It often involves inner guts, ambition and the feeling of standing on one’s own feet. From this perspective, measuring entrepreneurial intentions may be regarded as measuring latent entrepreneurship. Entrepreneurship is becoming a very relevant instrument to promote economic growth and development in different regional and national economies. However, social scientists are yet to agree on the determinants of the decision to become an entrepreneur. Therefore, there is concern that policies may not be sufficiently efficient in achieving this objective (Kapp, 2003).

From a psychological point of view, the intention to become an entrepreneur has been described as the single best predictor of actual behaviour (Gul-ruh, 2010). Economic renewal and growth is expected to be increasingly driven within the vehicle of enterprise creation and through industry clusters (Gelin, 2005). Entrepreneurship is therefore a process that involves willingness to rejuvenate market offerings, innovate, risk-take, try out new and uncertain products, services, markets and being more proactive towards exploring new business opportunities (Wiklund, Shepherd, 2005).

Ajzen (1991) proposed the theory of planned behaviour, according to which an individual’s intention
is a motivation to perform specific behaviour. Thus, the stronger the intention to perform certain behaviour, the more likely it will be performed. Since new business ventures are not developed in a day, entrepreneurship could be seen as a type of planned behaviour. The past sixty years have been marked by the increasing attention given to the multi-faceted nature of entrepreneurship behaviour and activity. The majority of this entrepreneurial literature proposed that psychological (personality/traits), demographic (sex, age, ethnicity) and socio-cultural factors (culture and education) may provide valuable insights into entrepreneurship behaviour.

Krueger (2005) suggested that there is a consensus among studies on the importance of gender to entrepreneurship behaviour. Generally, these studies further contend that gender, as a neglected variable in entrepreneurial research, is critical to theoretical advancements in the field. More specifically, Kourilsky and Walstad, (2003) argued that such a demographic variable holds the key to improving the representativeness of entrepreneurial research. One stream of research holds that women are just as likely to display certain competence necessary for entrepreneurial activities as men are, and as such, entrepreneurial experiences remain comparable. In that regard, Bird (2002) cited strong similarities between men and women in their desire for autonomy, control, and achievement. Ferdinand (2001) reported that women tended to be more cautious while men tended to be imprudent driving them to be profit-oriented, a dichotomy that provides an empirical psychological explanation for observed differences in their participation in the entrepreneurial field.

Carter et al. (2003) explored and compared the reasons that nascent entrepreneurs and non-entrepreneurs start enterprises and make career choices. The results of their research indicate that the main reasons individuals start enterprises are self-realization, financial success, roles, innovation, recognition and independence. Wang and Wong (2004) investigated the determinants of interest in entrepreneurship among university students in Singapore. Gender, family background along with business and educational level were found to be significant factors in entrepreneurial intentions. The factors that influence entrepreneurs in starting an enterprise are divided into two. The first involves the entrepreneur's own individual factors, including personal traits and conditions. The second involves external factors such as family, friends and the external environment. This research focuses on the individual's personal traits and environmental condition.

In characteristics or traits-based research, it was found that entrepreneurial personality is the key component in creating a venture. Demographic factors, such as age, sex, and ethnicity are repeatedly reported to strongly correlate with self-employment (Davidson, Delmar, 2000; Reynolds, 2004). Among personal characteristics strongly correlated with the entrepreneurial intentions, entrepreneurial self-efficacy (ESE) was reported to be the most consistent predictor (Evans, 2003). Self-efficacy is a self-perception of the individual skills and abilities in the specific domain (Bandura, 2002). Consequently, entrepreneurial self-efficacy is an individual's belief that he or she can successfully solve all problems associated with starting a new business.

Krueger (2003) reported that the effect of entrepreneurial self-efficacy on entrepreneurial intentions varies by sex, women scoring higher than men. Moreover, that women in the rural setting are more likely than men to be “pushed” into entrepreneurial activities by lack of income or fear of job loss, that the effect of entrepreneurial self-efficacy on entrepreneurial intentions for such women are likely to be weaker than their male counterparts.

Vozikis (2000) suggested that the presence of high entrepreneurial self-efficacy and entrepreneurial intentions in early career development would produce strong probabilities of entrepreneurial activity in later life. Self-efficacy has been linked with entrepreneurial self-efficacy (Boyd, Vozikis, 2000). Studies have documented the theoretical significance of self-efficacy and have convincingly showed that individuals with higher self-efficacy have higher entrepreneurial intentions (Krueger, 2005; Baum, Locke, 2004).

In the area of gender and entrepreneurship, research suggests that women have lower self-efficacy and entrepreneurial intentions than men do (Bandura, 2002). It is argued that women are less likely to establish their own business than men. There is a substantial over-representation of men among businesses founders in most countries (see Swedish evidence). Contrary to recent popular reports
of a trend reversal, Reynolds’ (2004) comprehensive study found more than twice as many nascent entrepreneurs among men than women in the US. McGrath et al. (1992) also reported a higher interest in business ownerships among men than among women. At least within entrepreneurship research, much less seems to have been learnt about the mediators between gender and entrepreneurship actions and intentions. Other researchers have sought the entrepreneurial personality in risk-taking propensity, internal locus of control, tolerance for ambiguity, self-efficacy, over-optimism and the need for autonomy (Evans, 2003). Reynolds (2004) showed that adult men in the United States are twice as likely as women to be in the process of starting a new business. Furthermore, research on the career interests of ‘teens’, has revealed significantly fewer intentions among girls than among boys to get engaged in entrepreneurial careers (Kourilsky, Walstad, 2003).

Age can be an important factor in entrepreneurial intention. Research showed that people mostly decide to establish their own firms between the ages of 20 to 45 (Gulruh, 2010). This tendency was especially between the ages of 25 to 34.

Boyd et al. (2000) showed that age is positively correlated with entrepreneurial intention. More specifically, Bates (2002) demonstrates that the intention and, as a result the likelihood to be entrepreneurial, increases with age, peaking as people approach 40 and then leveling out. Though the economic factors influencing entrepreneurship are clearly important, they do not address the possible impact of culture either directly on entrepreneurship or indirectly as an influence on these economic factors. Moreover, there remains a high level of unexplained variation across countries when only economic variables are taken into account (Kapp, 2003). Thus, more recently, researchers have also looked toward cultural factors to explain this variation.

In the light of the reviewed literature the following hypotheses were proposed:  
1) Age, sex, ethnicity and self-efficacy will significantly influence the entrepreneurial intentions of Youth Corp members.
2) Male Corp members will be susceptible to higher entrepreneurial intentions than their female counterparts.
3) Corp members with high self-efficacy will significantly score higher on entrepreneurial attitude orientation than their counterparts with lower self-efficacy.

2. Methodology

The study used a cross-sectional survey method which involves one time observation of the variables of study. The independent variables include self-efficacy, social and cultural factors while the dependent variable is entrepreneurial intentions.

2.1. Population and sample size

The population consisted of National Youth Service Corps (NYSC) members serving in ten local governments in Lagos State, Nigeria. This particular group included serving Corps members from various tertiary institutions across diverse ethnic backgrounds, age, sex and religion. The participants consisted of 300 Corp members and were selected through stratified and simple random sampling. There were 150 males and 150 females in all.

2.2. Instruments and psychometric properties

Data for the study was collected with a questionnaire consisting of three sections involving adapted psychological tests. Section A consisted of items measuring the socio-demographic characteristics (age, sex, ethnicity) of the participants. Section B adapted the 10-item Generalized Self-Efficacy Scale developed by Schwarzer & Jerusalem (1993) while Section C adapted the 40-item Entrepreneurial Attitudes Orientation (EAO) scale developed by Robinson et al. (1991). The psychometric properties of these scales are described below.

2.3. Entrepreneurial intentions

Entrepreneurial Intention was measured by the entrepreneurial attitude orientation (EAO) scale developed by Robinson et al. (1991). The scale consists
of forty attitudinal statement items on some common entrepreneurial intentions and actions with a 4-point Likert response scale (strongly agree, agree, disagree, and strongly disagree).

Self-efficacy was measured with the General Self-efficacy Scale (GSE) developed by Schwarzer & Jerusalem (1993). The instrument consisted of ten items with a 4-point Likert scale (ranging from not at all true to exactly true with reliability coefficient of 0.83).

2.4. Procedure

A total of 320 questionnaires were distributed among Youth Corps members in ten local government areas. The questionnaires were administered to the Corps members on their community development (CD) programme day where one can find almost all of them. Participants were selected by the researcher using stratified sampling as the researcher divided Corps members into subgroups based on their different local government areas and five divisions in Lagos State. Thirty-two questionnaires were randomly administered in each Local Government Area based on self-administration by the participants. The respondents were approached individually and their consents were sought before the questionnaires were given to them. Respondents were asked to fill in their personal information before attempting to fill the questionnaires. It took twenty minutes to complete a questionnaire. The questionnaire was collected as soon as each respondent finished. Out of 320 questionnaires administered, 300 were successfully completed and found useful.

Data analyses were carried out using multi-variate and bi-variate statistical techniques. Hypothesis one was tested using multiple regression analysis. Hypotheses two and three were tested using a t-test for independent groups.

2.5. Results

The first hypothesis which stated that age, sex, ethnicity and self-efficacy will independently and jointly influence entrepreneurial intention was tested using multiple regression. The result is presented below:

<table>
<thead>
<tr>
<th>Model</th>
<th>R</th>
<th>R²</th>
<th>F</th>
<th>P</th>
<th>β</th>
<th>T</th>
<th>P</th>
<th>Remark</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sex</td>
<td>.332</td>
<td>-.11.57</td>
<td>.000</td>
<td>&lt;.01</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Age</td>
<td>.123</td>
<td>-.4.34</td>
<td>.000</td>
<td>&lt;.01</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Ethnicity</td>
<td>-.001</td>
<td>-.075</td>
<td>.940</td>
<td>&gt;.05</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Self - efficacy</td>
<td>.594</td>
<td>21.94</td>
<td>.000</td>
<td>&lt;.01</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Explanation: R – Coefficient of relationship between all predictors and the outcome; R² – Expression of R in percentage, F – Value of variance in R and R²; P – Indicator of value at which F is significant, β – Contribution of each of the predictors, T – Value indicating the variance associated with β

Source: Authors’ own work

The result on the table above shows that there is significant joint influence of sex, age, ethnicity and self-efficacy on entrepreneurial intentions [R² = .90; F = 511.29; P<.01]. All the predictors exert 90% of the total variances on the criterion (entrepreneurial intention). From the table it is observed that sex had a significant independent influence on entrepreneurial intention [β = 0.33; t = -11.57: P < .01] thereby exerting 33% influence; Age also had significant independent influence [β = 0.12; t = -4.34; P < .01] there by exerting 12% influence. Self efficacy had significant independent influence on entrepreneurial intention [β = 0.59; t = 21.94: P < .01] thereby exerting 59% influence on entrepreneurial intention. Ethnicity however is not an independent significant influence on entrepreneurial intention [β = 0.00; t = .075; P > .05]. The stated hypothesis was thereby partially confirmed.
The second hypothesis which states that male Corp members will significantly score higher on entrepreneurial intentions than their female counterparts was tested using a t-test and the result is presented below:

The results on the table show that sex had a significant influence on entrepreneurial intention $[t = 26.46; df (299); P < .01]$.

It was observed from the table that male Corp members have significantly higher entrepreneurial intentions than female. The stated hypothesis is hereby confirmed.

The third hypothesis which states that Corp members with high self-efficacy will significantly score higher on entrepreneurial attitude orientation than their counterparts with lower self-efficacy was tested using a t-test and the result is presented below:

The results on the table show that self-efficacy had significant influence on entrepreneurial intention $[t = 25.09; df (299); P < .01]$. From the table, it is observed that Youth Corps members that had a high level of self-efficacy had significantly higher entrepreneurial intentions.

### Table 2. Independent t-test showing comparison of males and females on entrepreneurial intention

<table>
<thead>
<tr>
<th>Variables</th>
<th>Sex</th>
<th>N</th>
<th>$\bar{X}$</th>
<th>SD</th>
<th>df</th>
<th>t</th>
<th>P</th>
</tr>
</thead>
<tbody>
<tr>
<td>Entrepreneurial Intention</td>
<td>Male</td>
<td>150</td>
<td>1.97</td>
<td>0.18</td>
<td>299</td>
<td>26.46</td>
<td>&lt;.01</td>
</tr>
<tr>
<td></td>
<td>Female</td>
<td>150</td>
<td>1.13</td>
<td>0.34</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Explanation: N – Sample size, $\bar{X}$ – mean value, SD – Standard deviation, df – degree of freedom, t – Indicator of variance of difference between the two mean value in comparison, P – Indicator of value at which t is significant.

Source: Authors’ own work

### Table 3. Summary table of independent t-test showing the influence of self-efficacy on entrepreneurial intention

<table>
<thead>
<tr>
<th>Variables</th>
<th>Self-efficacy</th>
<th>N</th>
<th>$\bar{X}$</th>
<th>SD</th>
<th>df</th>
<th>t</th>
<th>P</th>
</tr>
</thead>
<tbody>
<tr>
<td>Entrepreneurial Intention</td>
<td>Low</td>
<td>150</td>
<td>2.77</td>
<td>0.58</td>
<td>299</td>
<td>25.09</td>
<td>&lt;.01</td>
</tr>
<tr>
<td></td>
<td>High</td>
<td>150</td>
<td>3.98</td>
<td>0.11</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Explanation: N – Sample size, $\bar{X}$ – mean value, SD – Standard deviation, df – degree of freedom, t – Indicator of variance of difference between the two mean value in comparison, P – Indicator of value at which t is significant.

Source: Authors’ own work

## 3. Discussion

The first hypothesis which stated that age, sex, ethnicity and self-efficacy will significantly influence entrepreneurial intentions was confirmed. The result showed that there is a significant joint influence of age, sex, ethnicity and self-efficacy on entrepreneurial intentions. This finding is consistent with the result of a study conducted by Davidson and Delmar (2000) on demographic characteristics and entrepreneurial activities wherein these researchers observed that demographic characteristics such as age, sex and ethnicity strongly correlate with self-employment. In addition to this, Boyd and Vozikis (2000) reported that the effect of entrepreneurial self-efficacy on entrepreneurial intentions varies by sex. This is further corroborated by a study carried out by Bandura (2002) on gender and entrepreneurship. The researcher reported that women have a lower self-efficacy and entrepreneurial intentions than men do.

The second hypothesis which stated that male Corp members will have greater entrepreneurial intentions than their female counterparts was also confirmed. The results showed that there is a significant influence of sex on entrepreneurial intention. This finding is consistent with the study conducted by Reynolds et al. (2002) on gender and entrepreneurial careers in which these researchers observed
that adult men in the United States are twice as likely as women to be in the process of starting a new business. This is further in corroboration by the study carried out by Wang and Wong (2004) on sex and entrepreneurial intentions which described sex as a significant factor in entrepreneurial intentions.

The third hypothesis which stated that Corp members with high self-efficacy will significantly score higher on entrepreneurial attitude orientation than their counterparts with lower self-efficacy was confirmed. The result indicated that self-efficacy has a significant influence on entrepreneurial intentions. This finding is supported by the results of studies carried out by Krueger (2000), Mau (2003), Baum and Locke (2004) on the significance of self-efficacy on entrepreneurial intentions. These researchers reported that individuals with high self-efficacy have higher entrepreneurial intentions.

4. Conclusion, research limitations and recommendations for future studies

Apparently, the result of this study has proven that age, ethnicity, self-efficacy and sex are predictors of entrepreneurial intentions. The goals of entrepreneurial development remain ripe and pressing for state and local governments. In this context, the advancing pace of entrepreneurship is a promising trend capable of fuelling economic and social development in Nigeria. Stemming from this recognition therefore, the findings of this study present timely insights into initial processes by which entrepreneurial intention (as an important component of the entrepreneurial development process) can be encouraged and given a well-deserved attention. In that regard, it is recommended that self-efficacy programmes should be introduced into the school curriculum from secondary to tertiary levels, so as to enhance entrepreneurial intentions among students before they graduate; by so doing, reducing the high rate of unemployment in Nigerian society.

The major contributions of this study are the unearthing of self-efficacy as a significant predictor of entrepreneurial intentions, understanding the socio-cultural processes involved and support for further questioning of lingering notions of gender differences in entrepreneurial intentions.

Although this study has contributed to knowledge in the area of entrepreneurship development, it has a number of limitations.

The first limitation was the homogeneity of the geographical location. The participants were selected from a particular geographical area (i.e Lagos) which limits the generalization of the findings. However, Lagos is a megacity involving people (youth) from different geographical locations of Nigeria.

The second limitation was the method of collecting the data. Specifically, the study adopted a survey method for data collection. This however made it impossible to establish cause-and-effect relationships among the variables considered in the study.

In view of the above limitations, future studies in the area of entrepreneurship development should take into consideration more geographical locations so as to make inference possible and the results more valid. Furthermore, if a survey is used in the future, the sample size should be enlarged and more variables that may possibly account for variance in entrepreneurial intentions could be considered. Future studies should also explore experimental investigation of variables affecting entrepreneurial intentions so as to verify a causal relationship.

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