

Dynamics of Entrepreneurship Intention: A Case of South-South Zone of Nigeria

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Abstract

Entrepreneurship intention has been a hot topic for debate in numerous scientific disciplines and journals. In this paper, the dynamics of entrepreneurship intention in south-south zone of Nigeria was examined. Four (4) dynamics were investigated - credibility, energizing, perceived feasibility and perceived desirability. The survey research design was adopted and primary data (questionnaire) was the major data collection instrument, which was administered to potential and existing entrepreneurs in south-south zone of Nigeria. Data obtained in the field survey were analyzed via both descriptive (mean, median, standard deviation, minimum and maximum values, skewness and kurtosis) and inferential (factor and principal component analysis) statistics. Findings indicated that propensity to act and perceived desirability are the major dynamics influencing entrepreneurship intention while energizing and perceived feasibility predict entrepreneurship intention the least. On the basis of the findings, the study recommends that the government and entrepreneurial agencies should gear efforts towards providing more viable frameworks for the growth of new ventures in order to further enhance propensity to act and allure potential and existing entrepreneurs to consider creating new ventures; this would in turn stimulate, and make entrepreneurship more feasible for entrepreneurs in the country.

Keywords: L26; M13; M19

JEL Classification: Entrepreneurship; Propensity to act; Perceived feasibility; Economic growth; Wealth creation

1. Introduction

In entrepreneurial literature, the driving dynamics which make individuals engage in financial risks and quit high income occupations in order to establish a personal venture has been a hot topic for debate in Nigeria, the world over. This debate stems from the fact that government and individuals are keen on generating high incomes as well as stimulating economic growth (Mwatsika, 2015); this is perhaps, one of the reasons for the increased numbers of studies on the intent for creation of new enterprises in both developed and developing nations like Nigeria.

The concept of entrepreneurship has been broadly defined in literature. According to Khuong and An (2016), entrepreneurship is one of the fourth dynamics of production that aids in discovering new boundaries resulting to personal wealth creation, incomes generation and the promotion of economic growth, particularly in developing nations like Nigeria. Remarkably,

entrepreneurship is a basis of development which relates with social concerns, spotting new technologies and having a full grasp of the marketplace (Oriarewo, *et al*, 2013); this viewpoint accentuates technologies, marketplace and social issues as the basis of entrepreneurship.

In the views of Ossai-Igwe (2011); and Ijaz, Yasin and Zafar (2012), Oyewumi and Adeniyi (2013); entrepreneurship is the utilization of opportunities and resources in order to improve one's socio-economic condition. Prior researchers assert that entrepreneurship is a basis of unemployment reduction and increased self-employment (see Stuetzer, *et al*, 2014; Oyewumi & Adeniyi, 2013; Osemeké, 2012; Ali, Topping & Tariq, 2011; and Zain, Akram & Ghani, 2010). Entrepreneurship refers to free or private enterprises that employ resources (financial, material, and workforce) in order to promote the overall wellbeing of individuals, poverty and unemployment reduction and economic growth of a nation.

In recent times, statistics showed that about 70 percent of Nigerian youths are unemployed; thus adversely affecting the workforce of the country (Anyadike, Emeh & Ukah, 2012; and Kabui, Jackson & Maalu, 2012), particularly in rural areas where opportunities and resources are inadequate. Noteworthy is the fact that while most developed and developing nations have been transformed via entrepreneurship, particularly in areas of poverty and unemployment reduction, the same is not true for Nigeria; a nation with teeming population, ample natural resources and prospects for growth.

More worrisome is the fact that Nigeria is unable to expand its workforce via the use of entrepreneurship and efficiently harness its ample natural resources. Again, over the years, researchers are keen on assessing the dynamics influencing entrepreneurship intention all over the world. Fundamental among the dynamics identified in literature are credibility, perceived feasibility and feasibility, propensity to act, and energizing factors influencing entrepreneurs' intention to act entrepreneurially.

While these dynamics *inter-alia* have been deeply researched in Europe, Asia, Australia and few continents of Africa like Nairobi (Kabui, Jackson & Maalu, 2012), Malawi (Mwatsika, 2015), Cameroon (Njengoue, *et al*, 2012), there is dearth of empirical evidences in Nigeria. Given the dearth of empirical evidences, this paper seeks to assess the dynamics affecting entrepreneurship intention in Nigeria. The remaining part of this paper is divided as follows: review of literature, research method, results, conclusion and recommendations.

2. Review of Related Literature

2.1 Entrepreneurship Intentions and Dynamics

The concept of entrepreneurship intention has been extensively defined and several metrics have been employed as dynamics of entrepreneurship intention in literature; thus there are quite a number of notions on the concept. In literature, numerous studies on entrepreneurial intention have been discussed from both psychological and behavioral approaches (Ijaz, *et al*, 2012); however, while there are other approaches, these approaches seem to be the most vital and dominating in the literature.

While behavioral approach linked entrepreneurship intention to subsequent actions and/or inactions of people, psychological approach relates it to the attitude of people (Dissanayake, 2014; Stuetzer, *et al*, 2014; and Stanto & Eliyana, 2014). This paper adopts both approaches (psychological and behavioral), articulating that entrepreneurship intention is premised on both dynamics. Consequently, four (4) fundamental dynamics of entrepreneurship intention

were employed in this study and these include credibility, perceived feasibility, propensity to act, perceived desirability and energizing factors.

First, theoretical justifications revealed that the sum of perceived feasibility and desirability accrue to credibility; hence, credibility requires that behavior should be desirable and feasible. Dissanayake (2014) asserts that entrepreneurs have to consider entrepreneurship as a credible career option as both desirable and feasible. Studies (Kabui, Jackson & Maalu, 2012; Tiago, Faria, Couto & Tiago, 2014) have shown that credibility is one of the most vital dynamics of entrepreneurship intention.

Second, propensity to act is individual disposition to act on one's decisions (Ali, Lu & Wang, 2012; Mwakujonga & Bwana, 2013). Shapero (1982) conceptualized propensity to act as an unchanging personality traits to act on one's decision. The propensity to act is centred on desirability and feasibility perceptions, which set the precedence for actions. Prior studies showed that entrepreneurial requires the potential to commence an enterprise and as such a major driver of entrepreneurship intention.

Third, perceived feasibility is considered as the extent to which people feel personally capable of initiating an enterprise. Prior studies (Dissanayake, 2014; Mwatsika, 2015; and Khuong & An, 2016) considered perceived feasibility as the confidence to initiate new enterprises and degree to which such new enterprise is seen as a possible career option. These studies see perceived feasibility as a major driver of entrepreneurship intention.

Finally, perceived desirability refers to personal attractiveness of commencing an enterprise, including both endogenous (intrapersonal) and exogenous (extra personal) impacts. More so, perceived desirability is a product of individual's perception of aptness of entrepreneurship influenced by personal attitude, feelings and values. According to Dodd, Komselis and Hassid (2012), perceived desirability is the scope to which initiating a new enterprise is observed as an attractive career option. Prior studies (Khuong & An, 2016; Njengoue, *et al*, 2012) showed that perceived desirability, which is a desire to create a new venture drives entrepreneurship intention.

2.2 Some Prior Studies

Quite a number of studies have assessed entrepreneurship intentions and the factors that drive them; however, most empirical studies have been done in developed and developing nations (Khuong & An, 2016; Dissanayake, 2014; Tiago, *et al*, 2014; Mahmoud & Muharam, 2014; Mwakujonga & Bwana, 2013; Ali, *et al*, 2012; Dodd, *et al*, 2012; Njengoue, *et al*, 2012; Zain, *et al*, 2010), with dearth of empirical studies in Nigeria. Most empirical studies in Nigeria had either focused on development of entrepreneurship perceptions and employment generation; thus, studies in other countries were reviewed so as to substantiate the dearth of studies in Nigeria.

Some empirical studies have been reviewed in both developed and developing nations. For instance, Khuong and An (2016) examined the dynamics influencing entrepreneurial intention of national university students in Vietnam and found perceived feasibility and propensity to act to drive the intention of entrepreneurial the most.

In Sri Lanka, Dissanayake (2014) used an extended model in assessing perceived feasibility and desirability on entrepreneurial intention and found that both factors positively and significantly affecting the intention of entrepreneurial to engage in new venture creation. In

the same vein, Tiago, *et al* (2014) studied entrepreneurial intention to action using cross-countries data and found perceived feasibility and desirability as major drivers of the intention of entrepreneurial to act.

Mwakujonga and Bwana (2013) evaluated entrepreneurial intentions and found it to be driven by numerous factors such as credibility, energizing, propensity to act, perceived feasibility, desirability among others. Similarly, Ali, *et al* (2012) carried an investigation of entrepreneurial intentions determinants among college students in China and Pakistan and found several factors (propensity to act, perceived desirability and feasibility to influence entrepreneurial intention, particularly in China;

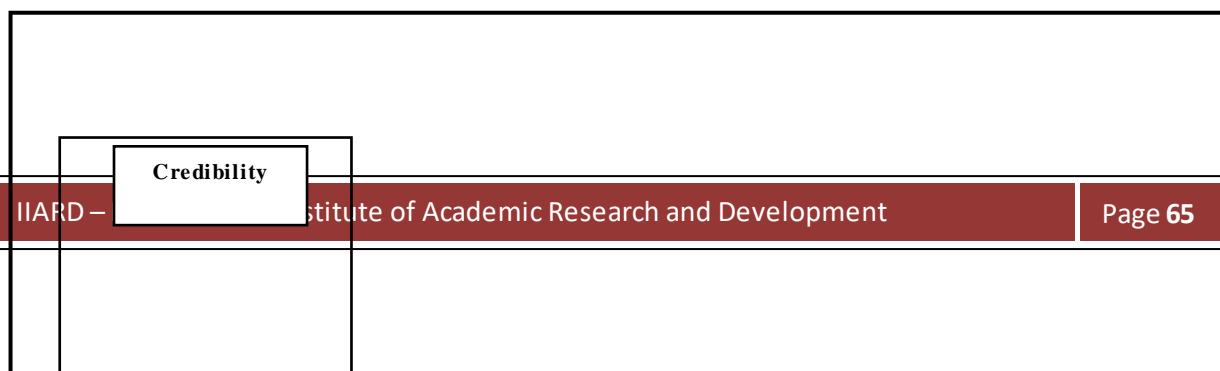
The results of prior empirical studies are similar to those of Mahmoud and Muharam (2014); Dodd, *et al* (2012); Njengoue, *et al* (2012); Zain, *et al* (2010), who found that the most vital factors influencing the intention of entrepreneurial are perceived feasibility, desirability and propensity to act. Remarkably, there is gap in management literature on the major factors influencing the intention of entrepreneurial, particularly in Nigeria; hence the reason for this study.

2.3 Theoretical Framework

The theoretical framework of this paper is anchored on the Theory of Planned Behavior (TPB) by Ajzen & Fishbein (1991). TPB advocates that human behavior can be deliberate or planned and that the optimum predictor of human behavior is intention. TPB suggests that intention to create an enterprise is influenced by three factors - personal attitudes, subjective norms and perceived control (Stanto & Eliyana, 2014).

TPB advocates three (3) independent determinants of intentions, which encompassed attitude toward performing the behavior; perceived subjective norms, perceived behavioral control and perceived self-efficacy. Liñán (2008) supports that the viewpoints that intention to become an entrepreneur largely depends on individuals' personal attitude, perceived social pressure to become or not to become an entrepreneur over venture-creation behavior.

The expectation is that these three factors (personal attitudes, subjective norms and perceived control) lead to the individual's intention to act in a particular way to a given circumstance; thus their role in growing specific intents for an entrepreneur to act in a specific manner may differ for sets of individual behavior (Njengoue, *et al*, 2012; Mahmoud & Muharam, 2014). The relevance of TPB to this current study is that entrepreneurial capability is predicted by the intention to undertake entrepreneurial activities and that one of the optimum approaches of assessing entrepreneurial intention is to evaluate it in terms of planned behavior (Mashene, Macha & Donge, 2014). In view of the above, entrepreneurship intention determinants are shown as follows:



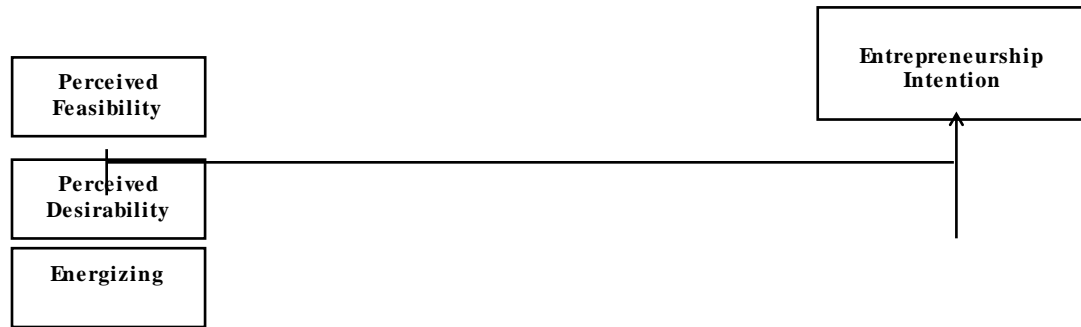


Figure 1: Conceptual Model

3. Research Method

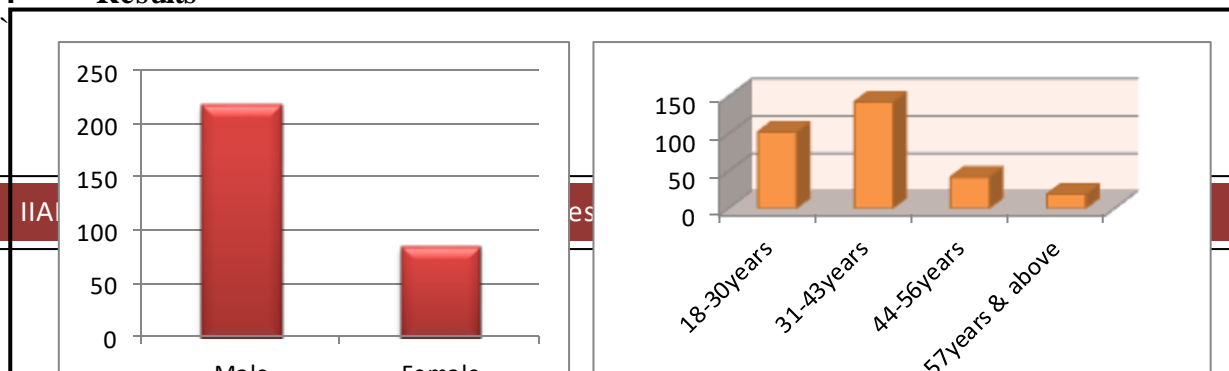
This study employed descriptive survey design via the use of structured questionnaire aimed at assessing the dynamics influencing entrepreneurship intention. The studies of Dissanayake (2014); Ali, *et al* (2014); Khuong and An (2016), have employed survey design in assessing the dynamics of entrepreneurship intention. The study population comprised of entrepreneurs in south-south zone of Nigeria.

The south-south zone comprised of six (6) Nigerian federation states namely Delta, Edo, Bayelsa, Rivers, Cross Rivers and Akwa-Ibom. Given the enormous nature of entrepreneurs in the south-south zone of Nigeria, a sample of three hundred and five (305) entrepreneurs were selected by means of convenience sampling technique in three (3) south-south states – Delta, Edo and Bayelsa; more so, the sample size was limited by the widespread of COVID19 pandemic.

The main instrument of data collection was the questionnaire, which was administered to the entrepreneurs in the selected three (3) south-south states. The questionnaire was designed on a 5-point Likert scale of Strongly Agree (SA), Agree (A), Undecided (UD), Disagree (D) and Strongly Disagree (SD). The instrument of data collection was administered on a face-to-face basis by the researcher and two (2) professionally trained researcher assistants. The sampled respondents were asked to assess the extent to which they agree/disagree to diverse dynamics (energizing, propensity to act, perceived feasibility and desirability) capable of influencing entrepreneurship intention.

The test-re-test method of ascertaining reliability of research instrument was employed by using thirty (31) respondents; this represents 10% of the sample size. Results obtained were correlated using Cronbach Alpha reliability test, which yielded 0.71. Data sourced in the field survey were analyzed by means of both descriptive statistics (mean, median, standard deviation, minimum and maximum values, skewness and kurtosis) and inferential statistics (the Factor and Principal Component Analysis - FPCA) techniques. The analysis was carried out via STATA 13.0 statistical package.

4 Results



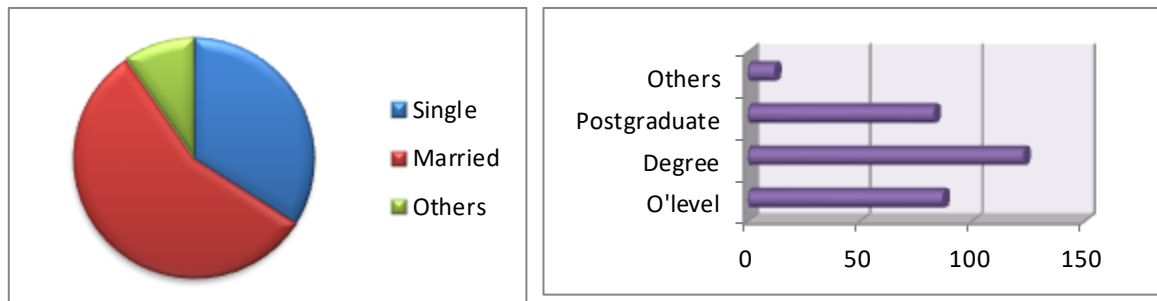


Figure 2: Respondents' Demographic Antecedents

Figure 2 shows the respondents' demographic antecedents (gender, age, marital status and educational qualifications) involving both three hundred and five (305) existing and potential entrepreneurial in south-south zone of Nigeria. The figure reveals that majority of the respondents were male compared to female. Also, the respondents' ages were widespread across numerous ages, with 31-33years as the most prevalent of the respondents.

In terms of respondents' marital status, majority of the respondent were married, accompanied by those that are single and other categories, being least of the marital status. Besides, the academic qualifications level attained by both existing and potential entrepreneurial is first degree, followed by O' level.

Table 1: Descriptive Statistics of the Variables

Statistics	Perceived Desirability	Perceived Feasibility	Propensity to Act	Energizing
Mean	3.5191	3.5762	2.8330	2.7715
Median	3.1385	3.0021	2.0038	2.0035
Maximum	5	5	5	5
Minimum	1	1	1	1
Std. Dev.	.5215	.6439	.4115	.3249
Skewness	2.6256	2.1139	2.1493	2.2689
Kurtosis	3.118	3.0169	3.5105	3.1400
Counts	305	305	305	305

Source: Computed by Researcher, via STATA 13.0 software

Presented in Table 1 is the descriptive statistics of determinants of entrepreneurship intention (perceived desirability, perceived feasibility, propensity to act and energizing factors). It can be seen that none of the variables exhibited negative mean value; this is expected, given the characteristics of the respondents examined. Furthermore, the standard deviations values range from .5215 (perceived desirability), .6439 (perceived feasibility), .4115 (propensity to act) and .3249 (energizing). The standard deviation values were not too dispersed from each other; an indication that the respondents' perceptions on the research subject are closely related.

Remarkably, all variables displayed non-zero skewness; more so, all variables were skewed to the right as shown by their positive values. Impliedly, all the determinants of entrepreneurship intention were positively skewed to similar direction. Also, all the variables have a normal distribution as indicated by the kurtosis values, which are close to three (3) (Gujarati, 2003); impliedly, all variables are normally distributed.

The variation of variables during the period under review was revealed by the maximum and minimum values; suggesting among others that most likely, the variables are not constant over time. Since all variables are not constant, assessing the determinants of entrepreneurship intention is feasible.

Table 2: Factor Analysis of Determinants of Entrepreneurship Intention

Factor	Eigenvalue	Difference	Proportion	Cumulative
Factor1	0.9046	0.4554	0.9392	0.9392
Factor2	0.4492	0.3785	0.4664	1.4057
Factor3	0.0707	0.0113	0.0733	1.4790
Factor4	0.0594	0.0369	0.0617	1.5407

Source: Computed by Researcher, via STATA 13.0 software; Unexplained Variance = 78.1% LR test: independent vs. saturated: $\chi^2(4) = 40.4$ Prob> $\chi^2 = 0.0000$

The eigenvalue factors revealed the strongly correlated determinants for assessing intention of entrepreneurship of selected respondents in south-south zone of Nigeria. In this study, there were four (4) factors (perceived desirability, energizing, perceived feasibility, and propensity to act) found with eigenvalues as indicated in (Table 2). From Table 2, factor 1 had a factor loading of 0.9 and has been selected based on the recommendations of Hair (1998) that factor loading above 0.5 are very significant to establish minimum loading required to constitute an item. Besides, it can be seen that the factors have explained 78.1% of the total variance. Thus, there is need for entrepreneurs to increase their energizing and propensity to act as well as other determinants in order to enhance entrepreneurship intention.

Table 3: Factor Loadings (Pattern Matrix) and Unique Variances

Factor	Factor 1	Factor 2	Factor3	Factor 4	Uniqueness	Commonality $\Sigma(\text{loading})^2$ or $1(-\text{uniqueness})\%$
Perceived desirability	-0.1750	0.4739	0.0142	-0.0043	0.7445	25.6%
Perceived feasibility	0.0322	-0.0653	-0.1455	-0.0615	0.9588	4.10%
Propensity to act	0.5801	-0.0280	-0.0116	0.1078	0.6509	34.97%

Energizing	0.2862	0.0235	0.1584	-0.1213	0.8777	12.2%
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Source: Computed by Researcher, via STATA 13.0 software

Presented in Table 3 is the factor loading estimates; it was found that the four (4) variables are strongly related with some specific factors and indicates the extent to which those variables load on the factors. Also, the unique variances suggest that propensity to act (34.9%) and perceived desirability (25.6%) are the highest commonality variables while perceived feasibility (4.10%) is the lowest commonality variable. This result is further supported by the graphs below:

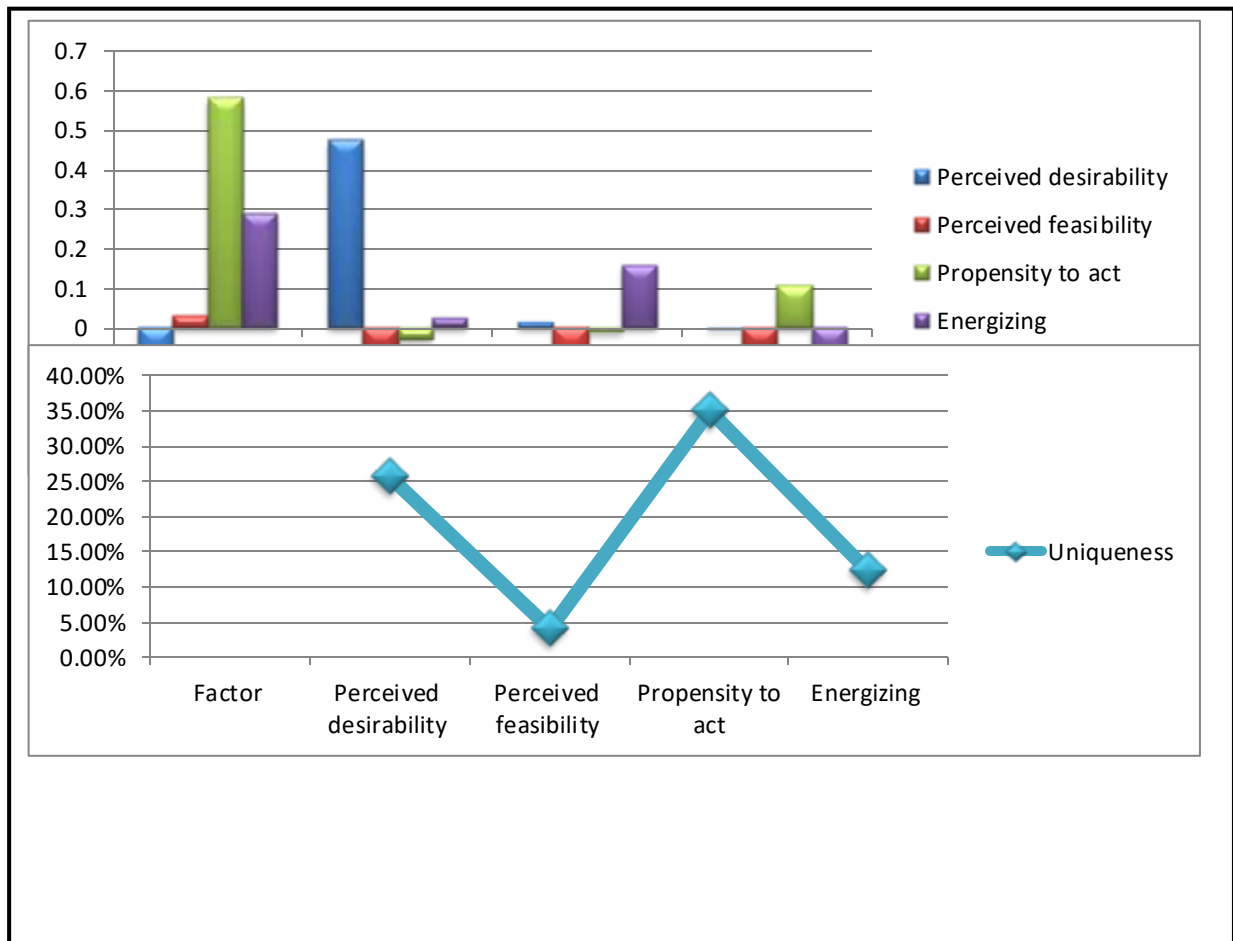


Figure 3: Graphs for Factors and Uniqueness of Entrepreneurship Determinants

The implication of above result is that propensity to act and perceived desirability predict and determine entrepreneurship intention the most. Furthermore, it was found that measures of energizing (12.20%) and perceived feasibility (4.90%) predicts entrepreneurship intention; however, very low. Our results corroborate with the viewpoints of Kabui, *et al*, (2012); Tiago, *et al* (2014); Mwatsika (2015); and Khuong & An (2016).

5 Conclusion and Recommendations

In recent time, entrepreneurship intention has been seen as a hot topic for debate in numerous scientific disciplines and journals; perhaps due to the financial crisis facing individuals and societies that extends beyond the economy. Consequently, this paper assessed the dynamics of entrepreneurship intention in south-south zone of Nigeria via descriptive survey design and the study population comprised of entrepreneurs in south-south zone of Nigeria.

Due to the colossal nature of entrepreneurs in south-south zone of Nigeria, a sample of three 305 entrepreneurs were selected by means of convenience sampling technique in 3 south-south states - Delta, Edo and Bayelsa. Questionnaire was the major data collection instrument designed on a 5-point Likert scale, which was administered to both the potential and existing entrepreneurs. In order to address this, four (4) dynamics of entrepreneurship intention were adopted namely credibility, perceived feasibility, perceived desirability and energizing.

Data obtained were analyzed by means of both descriptive statistics (mean, median, standard deviation, minimum and maximum values, skewness and kurtosis) and inferential statistics (the Factor and Principal Component Analysis - FPCA) techniques. The factor and principal component analysis established that propensity to act and perceived desirability are major dynamics influencing entrepreneurship intention. The implication is that propensity to act and perceived desirability drive entrepreneurship intention the most. More so, it was found that energizing and perceived feasibility predict entrepreneurship intention the least.

Given the findings of the study, it was recommended that the government and entrepreneurial agencies in the country should gear efforts towards providing more viable frameworks for the growth of new ventures in order to further enhance the propensity to act and allure potential and existing entrepreneurs to consider creating new ventures; this would in turn stimulate, and make entrepreneurship more feasible for entrepreneurs in the country.

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