

**PARENTAL ENTERPRENEURIAL EXPERIENCE AND PEER GROUP INFLUENCE
AS PREDICTORS OF ENTREPRENEURIAL INTENTIONS OF UNDERGRADUATES
IN UNIVERSITY OF ILORIN**

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Abstract

Unemployment has been seen as one of the problems bedeviling Nigeria society in recent times. This has attention of different stakeholders in the country majorly on how it can be reduced to a notable level if not totally eradicated. Most of the concerned stakeholders came into a conclusion that the menace was due to graduates' lack of business ideas. Hence this study carried out investigation on social factors as predictors of entrepreneurial intention among undergraduates in University of Ilorin. The objectives of the study were to: (i) find out the extent of entrepreneurial intentions of undergraduates in University of Ilorin; (ii) the influence of parents' entrepreneurial experience on entrepreneurial intentions of undergraduates in University of Ilorin; and (iii) the peer group influence on entrepreneurial intentions of undergraduates in University of Ilorin. Descriptive research method of the survey type was adopted by this research. Three research questions were raised and one hypothesis was postulated and tested. 256 respondents out of 1,298 undergraduates that offered GSE 301 (Graduate Entrepreneurship) during 2015/2016 academic session were sampled using, Multistage sampling technique involving simple random, proportional and stratified random sampling techniques were used to select the respondents. A researcher designed questionnaire titled, Social Predictors of Entrepreneurial Intention (SOPEI) was used to collect data from the respondents. The data collected were analyzed using percentage and Multiple Regression Statistics. The findings of the study revealed that undergraduates in University of Ilorin had high entrepreneurial intentions. It was also revealed that Parents' entrepreneurial experience and Peer group influence are good predictors of entrepreneurial intention of undergraduates in University of Ilorin. It was recommended among others that parents should be wary of friends that their children are keeping as this could make or mar their entrepreneurial intentions. Teacher and parents should always encourage their children with positive experience on business activities and find ways of transforming negative experience to positive one.

Keywords: *Entrepreneurial intentions, Parents' Entrepreneurial Experience, Peer group Influence, Undergraduate. University of Ilorin.*

INTRODUCTION

Nigeria with the largest population and a very high amount of natural resources in Africa has been seen as one of the poorest countries in the world. The reason for her being among the poorest countries may be as a result of the inability of its teeming youths to engage in productive activities. They prefer hustling for white-collar jobs that are not readily available to engaging in such activities that would make them self-employed and at the same time create job for others. Jobs creation and over-all economic development of a nation hinged on its successful entrepreneurship combined with the forces of established corporations. Entrepreneurship has been found as a chief driver of economic growth, productivity and social development. Entrepreneurial activities are capable of making positive impacts on the economy of a nation and the quality of life of the people. It has a positive relationship with stimulation of economic growth, employment generation, and empowerment of the disadvantaged segment of the population, which include youths and women (Thomas and Mueller, 2000).

Entrepreneurship is the activity of venturing into new enterprises. As distinct from management, it is the creation of new enterprises to meet new challenges and opportunities presented by a given situation. It is the process of bearing a non-insurable risk as to achieve business objectives (Awe and Ayeni, 2008). Entrepreneurship is the focused activity that an individual or group of associated individuals undertakes to initiate, maintain, or aggrandize a profit-oriented business for the production or distribution of economic goods and services (Omolayo, 2007). Entrepreneurial development is an important aspect of economic development of any country. According to Amana (2004), entrepreneurship accounts for 30-40% of all employment, even in developed economies such as United States of America, Europe, and in the advance Asian “Tiger economies” such China, Singapore, Indonesia, South Korea and Thailand. In the urban areas of Nigeria, it accounts for majority of employment. Apart from the employment creation, it is an important aspect of economy that serves as the engine of innovation (Abegunde, 2007).

Entrepreneurship development involves more than just mere increase in per capital output and income. It involves initiating and constituting a change in the structure of business and the society at large. This much desired change has always resulted into expansion of output and growth. The awareness that rapid industrialization and economic development are heavily dependent on the development of manpower capable of creating and providing opportunities for business ventures has increasingly brought entrepreneurship to the attention of many nations of the world (Kolawole, 2007). Orubuloye (2007) opined that the full realization of the roles of entrepreneurship in the economic development informed the National University Commission (NUC) to approve Entrepreneurship as a course under General Studies Unit (GST) and made it compulsory for all students in Nigerian Universities. The Entrepreneurship education is prepared to engender and facilitate smooth career development in all aspects of human endeavour.

This course (entrepreneurship education) and other factors help a lot in upgrading students' knowledge about entrepreneurial activities and increase their interests and intentions in partaking in it. Entrepreneurial intent is the determination to own one's business or intent to create a venture (Dutta and Thornhill 2008). Entrepreneurial intention is the state of mind that initiates individuals to choose in favour of a private-business instead of choosing a salary based work (Gerba, 2012). According to Uddin & Bose (2012), entrepreneurial intention is the proclivity or the potentiality of starting a new business. Sue and Dan (2000) were of the view that entrepreneurial intention is influenced by certain factors ranging from genetic power, family background and economic environment. Since economic environment could support or suppress entrepreneurship, governments world over undertake to develop macroeconomic policies that focus mainly on providing access to resources and support services to individuals and organizations that display flair for expanding their business horizons.

Variety of factors predicts the entrepreneurial intention of undergraduates and principal among them are students' attitude, peer influence, parental/family background and guidance, desire for independence and financial capabilities. Van-Auken (2006) submitted that families with a business background often influence and motivate their siblings to involve in entrepreneurial activity and they are expected to possess higher propensity to launch a business in future. Emrah, Ali and Ibrahim (2013) revealed that the current faculty, type of high school and the household income of their family were significant factors influencing the entrepreneurial intention among University undergraduates. Linan, Nabi and Krueger (2013) asserted that entrepreneurial intention is as a result of subjective norm which denotes the perception of an individual about the endorsement or discontentment of friends and important members of the family on the decision to create a business. It is the approval of important members of the family, associates or colleagues in taking entrepreneurship decision.

Business owners tend to have strong supporters but the support from their family seems to be particularly important. Support and encouragement from family members, relatives and peer groups have been shown to be associated with development of entrepreneurial intentions (Davidson and Honig, 2006). Support from family and friends are essential in shaping the seeming desirability of a particular business venture as well as providing financial support.

Statement of the Problem

Government alone cannot provide jobs for all graduates in Nigeria today. As a result of this, there is the need for entrepreneurial development by government and entrepreneurial intentions by individual youths. Entrepreneurship is an important aspect of economies. It contributes in an inestimable way toward creating new job, wealth creation, poverty reduction, and income generating for both government and individuals. There are so many factors that propel people, most especially youths, to show intentions and interests for entrepreneurship. Prominent among the factors are parental influence, peer groups' influence, financial capabilities, special interests, possession of idea and so on and so forth.

It is important to note that series of researches have been conducted to examine the factors affecting or determining the entrepreneurial intentions of undergraduates of Universities throughout the world. Noticeable among them are Emrah (2013); Mohammad (2009); Malefane (2014); Mahmoud and Farrah (2014); Xue, David and Liang (2011) and a host of others. None of these researches was carried out in the University of Ilorin, Nigeria. This has created a research vacuum which this study filled by investigating the social predictors of entrepreneurial intentions of undergraduates in University of Ilorin, Nigeria.

Purpose of the Study

The purpose of this study was to examine the entrepreneurial intentions of undergraduates in University of Ilorin, Nigeria. Specifically, the study examined:

1. the extent/level of entrepreneurial intentions of undergraduates in University of Ilorin.
2. the influence of parental entrepreneurial experience on entrepreneurial intentions of undergraduates in University of Ilorin.
3. peer group influence on entrepreneurial intentions of undergraduates in University of Ilorin.

Research Questions

1. what is the extent of entrepreneurial intentions of undergraduates in University of Ilorin?
2. is parental entrepreneurial experience a predictor of entrepreneurial intentions of undergraduates in University of Ilorin?
3. is peer groups' influence a predictor of entrepreneurial intentions of undergraduates in University of Ilorin?

Research Hypothesis

Ho₁: Parental entrepreneurial experience and peer groups' influences are not significant predictors of entrepreneurial intentions of undergraduates in University of Ilorin.

Methodology

This study was a cross-sectional survey. The population for this study included all undergraduates of University of Ilorin, while the target population was undergraduates of the faculty of education and the sample for the study was 256 final year undergraduates out of 1,298 that registered for and offered GSE 301 (Graduate Entrepreneurship) in 2015/2016 academic session. This group of undergraduates had been equipped with entrepreneurial knowledge and skills needed to jump- start their own business. Sample selection was done through multistage sampling technique. At the first stage of sampling, stratified random sampling technique was employed to categorize the population into different strata (male, female, faculty and department). Proportionate sampling technique was used to sample 256 undergraduates from the nine departments in the faculty.

The instrument for the study was a researcher-designed questionnaire which was of four sections, the range of questions asked included questions that bothers on undergraduates' demographics, peer influence and parents' entrepreneurial experience and entrepreneurial intentions. This instrument was validated by Measurement and Evaluation experts, Sociologists of Education and experts in Entrepreneurship study. The reliability of the instrument was determined through test-retest technique. The instrument was administered twice at the interval of three weeks on 50 undergraduates outside the sampled faculties. The second administration, a reshuffled version of the first, was administered three weeks after the first administration on the same set of undergraduates and the data obtained were analysed using Pearson Product Moment Correlation (PPMC). The results indicated that the instrument had a reliability index of 0.68 and considered to be reliable enough for this study. The researcher administered the validated and reliable instrument with the help of three research assistants.

Data Analysis and Results

Table 1: Distribution of Respondents based on Gender

Gender	Frequency	Percentage
Male	133	51.95
Female	123	48.05
Total	256	100

Data in Table 1 reveals that out of 256 sampled respondents, 133(51.95%) were males while 123 (48.05%) were females. This shows that male undergraduates participated more in the study than their female counterparts.

Answering Research Question

Research Question 1: what is the extent of entrepreneurial intentions of undergraduates in University of Ilorin?

The data collected on entrepreneurial intentions of undergraduates was subjected to percentage analysis. The minimum score that participants could get was 10 while the maximum was 40. All the statements contained were positively structured. The scores fell within the range of 10-25 were regarded as low, while scores between 26-40 were considered to be high.

Table 2: The Extent of Entrepreneurial Intentions of Undergraduates in University of Ilorin

Extent of entrepreneurial intentions	Frequency	Percentage
High	144	56.25
Low	112	43.75
Total	256	100

Data in Table 2 Shows that out of 256 sampled respondents, 144 (56.25%) held high intention of starting their own business while 112 (43.75%) held low intention of starting their own business. This implies that majority of undergraduates had high intention of starting a business of their choice.

Hypothesis Testing

Ho₁: Parents' entrepreneurial experience and peer groups' influences are not significant predictors of entrepreneurial intentions of undergraduates in University of Ilorin.

Table Three: Regression Analysis Showing Relationship Among parents' entrepreneurial experience, peer group influence and entrepreneurial intentions of undergraduates in University of Ilorin

Model	Sum of Squares	Df	Mean Square	F	Sig.	Decision
Regression	187.555	2	93.778			Rejected
Residual	13024.195	254	51.479	1.822	0.000	
Total	13211.750	256				

***P<0.05, a. Predictors: (Constant), peer group influence and parents experience**

Table 3 indicates that the calculated F-value is 1.822 while its significance value is 0.164 with degree of freedom 2/1.822 and at alpha level of 0.05. The outcome of the analysis indicates that calculated Sig. (0.00) is less than the critical Sig. (0.05), the hypothesis was therefore rejected. This implies that the independent variables (Parents' experience and Peer group influence) are good predictor of (dependent variable) entrepreneurial intention of undergraduates in University of Ilorin. Therefore, null hypothesis one was rejected.

In a attempt to examine the contributions of the independent variables (experience and peer group influence) together, the R-square was computed and the output reveals thus:

Table 4: Model Summary Showing Contributions of Parents' Entrepreneurial Experience and Peer Groups' Influence to Entrepreneurial Intentions of Undergraduates in University of Ilorin

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	0.119a	0.014	0.006	7.17489

Table 4 signifies that R-square is (1.4%) which is the contribution of two independent variables (parents' entrepreneurial experience and peer group influence) to the entrepreneurial intentions of undergraduates in University of Ilorin, Ilorin, Nigeria.

Furthermore, to ascertain the contributions of each of the independent variable (parents' entrepreneurial experience and peer group influence) to the model (entrepreneurial intentions), Beta weight and t-values were computed. The output of the computation is shown on table 5 below.

Table 5: Contributions of each Independent Variable to Entrepreneurial Intentions

Model	B	Std. Error	Beta	Calculated t-value	Sig.
Constant	27.743	1.861		14.906	.000
Parents' Experience	.085	0.90	0.59	0.941	0.348
Peer Group Influence	.108	0.63	0.106	1.703	0.090

Predictors: (Constant), Parents' Experience and Peer Group Influence

Dependent Variable: Entrepreneurial Intentions

Table 5 shows the Beta weight and the t-value of each of the independent variables. The Beta weight of Parents' Experience was 0.59 and the t-value of 0.941, while that of the Peer Group Influence was 0.106 and t-value is 1.703. This implies that parents' experience contributed less than peer group influence to the entrepreneurial intentions of undergraduates in University of Ilorin. The t-value further confirmed the contributions of the independent variables to the entrepreneurial intentions. Parents' experience contributed t-value of 0.941, while peer group influence contributed a t-value of 1.709, which also implies that parents' experience contributed less than the entrepreneurial intentions of undergraduates.

Discussion

The major aim of this study was to investigate social predictors of entrepreneurial intentions of undergraduates of University of Ilorin. It was revealed from the study that undergraduates in University of Ilorin had high entrepreneurial intentions. Evidence abound that out of the total

number of sampled respondents, a little above half of them had high intention of starting their own business while with the remaining below have of them having low intention. This may be as a result of the positive experience, entrepreneur knowledge and skills they may have been exposed to in the school. The finding is in agreement with finding of Uddin & Bose (2012) Who discovered that exposure and prerequisite knowledge in business activities enhance the intention of having business of choice. The result of the finding also corroborates the assertion of Ajzen (2002), who posited that a greater knowledge of different entrepreneurial aspects will surely contribute to more realistic perceptions about the entrepreneurial activity thus influencing intentions. The finding is contrary to the assertion of Van-Auken (2006) who noted that attitude and interest are the major determinant of starting business of choice. Another finding of the study revealed that Parents' entrepreneurial experience and Peer group influence are good predictor of entrepreneurial intention of undergraduates in University of Ilorin. This implies that both parents' entrepreneurial experience and peer group influence play significant roles in business formation. The result of this finding supports the finding of Ajzen (1991), who describes three factors that are essential in varying the inclination and the real behavior. Among his described factors is the attitude someone has toward the behavior. According to Ajzen, a learner could for example have a positive attitude toward entrepreneurship because his/her parents have their own business or self-employed. Din (1992) also said that entrepreneurial traits and the good impact brought by family and friends add to higher intention towards entrepreneurship.

Conclusion

This study finds out the social predictors of entrepreneurial intention of undergraduates in University of Ilorin. The population for the study comprised all undergraduates of University of Ilorin while the target population was made up of undergraduates in the faculty of education, University of Ilorin. Researchers-designed questionnaire was used to gather information from sampled respondents. One of the result of the findings revealed that undergraduates held high intention of having business of their own. It was also revealed that parents' entrepreneurial experience and peer group influence are good predictors of entrepreneurial intention of undergraduates in University of Ilorin. It was concluded that among social variables examined, peer group influence mostly affected entrepreneurial intention of undergraduates. The implication of this study is that exposure to entrepreneurial skills and knowledge, parents' entrepreneurial experience and peer group influence have a great impact on influencing entrepreneurial intention of undergraduates either positively or negatively.

Recommendation

This study thereby recommends that parents should serve as model for their children by venturing into entrepreneurial activities instead of depending on white-collar jobs. They should also be wary of friends that their children are keeping as this could make or mar their entrepreneurial intentions. Teachers and parents should always encourage their children more with positive experience on business activities and find a way of transforming negative experience to positive one. Universities that are yet to introduce entrepreneurship education should endeavor to do so early, so that their students will also be exposed to its benefit. Government at all levels should provide necessary support for graduates with entrepreneurial intention. This will invariably enhance their confidence and make them have favourable attitudes toward venturing into business.

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