

External Factors Influencing Entrepreneurial intentions among Electrical Craftsmen: A study of Yenagoa, Bayelsa State

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Abstract : *The study was conducted to investigate the influence of external factors on entrepreneurial intentions among electrical craftsmen in Yenagoa, Bayelsa State. Survey design was adopted for the study. Structured questionnaire was used to obtain data from the respondents. Sample was drawn using convenience sampling technique. A total of sixty respondents were used for the study. The data was analyzed using multiple regression analysis. The researcher concentrated on the causal effects of the variables on entrepreneurial intentions. The results revealed that socio-cultural and economic factors were statistically significant in influencing entrepreneurial intentions, while education was not statistically significant. It was recommended that government and non-governmental organizations should go back to the drawn board on how to plain their training programmes on entrepreneurship. Government should create the enabling environment that would encourage entrepreneurship and to also enhance success.*

Key Words: *Entrepreneurial intentions, socio-cultural, economic, educational, Electrical Craftsmen*

1. Introduction

Unemployment rate is on the increase in most developing countries, particularly in Nigeria where youths have been identified as the most affected group. Dike (2007) confirmed that 80% of Nigerian youths are unemployed and about 10% are underemployed. Fatoki (2014) opines that entrepreneurship is one of the options to reduce the unemployment rate and the social problems that are associated with unemployment. Entrepreneurship is rapidly gaining prominence worldwide because of its positive effects in wealth creation and generation of job opportunities (Postige&Tomborini 2002; Othman, Chazali et al 2005; Gurol& Atsam 2006; Scarborough

&Zimmerer 2003). Kuratho and Hodgetts(2004) see entrepreneurship as a major engine driving the nation's economic growth, innovation and competitiveness. For one to become an entrepreneur there must first be an intention. Entrepreneurship intention refers to a conscious state of mind that direct a person's attention to fulfilling the goal of venture creation (Bird, 1988). Intentions have been highlighted as a predictor of entrepreneurship (Krueger et al, 2000). Entrepreneurship process consists of capability to identify opportunity, collect resources, organize them and adapt strategy so that opportunity can be exploited(Shane, 2003). Many youths and adult are unable to identify opportunity, collect resource, organize them and adapt strategies to exploit because they lack the necessary knowledge, skills and information to do so. The venture creation or intentions to start-up own business is not an easy decision as the entrepreneur has to contend with a lot of external factor that may impinge on his business negatively. The environment constraints, hence, can be symbolized as a pool of resources. Any changes in this pool can lead to the qualitative and quantitative change in the business venture, its formation and of course have significant impacts on the entrepreneurial intention. Study on the organizational related environment factors helps us to understand more about the formation of entrepreneurship intention. An organizational environment can be divided into two major categories, the task environment and the general environment (Griffin, 2012).

In order for one to actualize entrepreneurial intention, adequate knowledge, skills and information on the external factors must be obtained. The capacity to exploit the advantages of entrepreneurship is offered by entrepreneurship education, which equip individuals with analytical ability and knowledge that improves entrepreneurial decisions. Krueger et al (2000) and

Zhao et al (2005) confirmed that learning important entrepreneurial skills and competencies will lead to perceiving new feasible ventures by students, thus affect perceived behavioural control (PBC). It has been observed that majority of the craftsmen are ill-educated, yet they are venturing into business. It in the light of this circumstance that the research is being conducted to verify what factors propelled them into their chosen venture.

Objectives of the Study

The broad objective of the study is to identify the external factors affecting entrepreneurial intentions of electrical craftsmen in Yenagoa, Bayelsa State. The specific objectives are:

- i. To examine the influence of societal/cultural factors on entrepreneurial intentions of electrical craftsmen in Yenagoa. Intentions of electrical craftsmen in Yenagoa.
- ii. To examine influence of economic factors on entrepreneurial intentions of electrical craftsmen in Yenagoa..
- iii. To examine the influence educational factors on entrepreneurial intentions of electrical craftsmen in Yenagoa.

Hypotheses of the Study

The study was guided by the following null hypotheses:

- i. There are no significant social/cultural factors affecting entrepreneurial intentions
- ii. There are no significant economic factors affecting entrepreneurial intention
- iii. There are no significant educational factors affecting entrepreneurial intentions.

Literature Review

Entrepreneurial intentions may be defined as a position to owning a business or becoming self-employed. Entrepreneurial intentions are also considered as personal orientations which might lead to venture creations (IGI Global, 2017). Krueger et al. (2000) and Kolvereid & Isaksen (2006) claim that intentions are the single best predictor of most planned behaviour, including entrepreneurial behaviour. Pillis and Reardon (2007), define entrepreneurial intention as the intention to start a new business. The decision to become an entrepreneur and create a new business is a deliberate and conscious decision (Wilson et al.

2007) that requires time, considerable planning and a high degree of cognitive processing.

According to Irginia Beach City Public Schools (2017) an electrical Craftsman installs, maintain, repair and extend electrical wiring in buildings. Literature will be reviewed on the external factors affecting entrepreneurial intentions of electrical craftsmen.

According to Linan (2009) worldwide integration and development has modified the traditional identifications through which intra-national cultural differences contribute to entrepreneurial behavioral differences. Entrepreneurial intention is influenced by the socialization process, social networking and the environment while parental support, opinion and modeling having greater impact on entrepreneurial behavior (Linan et. al. 2009). Social norms are the unwritten rules of conduct of a group which impact the individual-level decision-making process. These are shared by others and prevail in society by their approval which maintain unwanted motivations and helps an individual in decision making process. Social norms help an individual in changing behavior according to environment (Meek et.al, 2010).

Gibb et al. (1981) have proposed an alternative "social development model" to explain and understand entrepreneurial start-up decisions. They suggest that entrepreneurship can be wholly understood in terms of the types of situations encountered, and the social groups to which individuals relate. Cultural factors which affects entrepreneurial intention helps in enhancing self-confidence, risk-taking ability and innovation (Turker&Selcuk, 2009). Family as unit of socio-cultural activities provides plate form for initiating economic activity for the creation of firms and growth; it represents the important part of culture and has the significant impact on the firm performance (Steier, 2004).

According to Fetsch (2016) entrepreneurs flourish in a connected, dense, and diverse ecosystem where they can move quickly to take advantage of opportunities. McQuerrey (2017) asserted that economic conditions impact all businesses, though small businesses often feel the effect of economic changes faster than their larger counterparts. Upswings in the economy typically provide a rush of new or expanded business opportunities for small operations, whereas a downward economic cycle can have a severe and lasting impact. In a strong economy, nearly all businesses enjoy greater prosperity. Disposable income is high, unemployment is low and consumer confidence prompts people to pump their money back into the

economy through the purchase of essential and nonessential goods and services (McQuerrey, 2017).

A great number of research studies have been conducted regarding the impact of education on entrepreneurship. Despite the existence of the studies, the concepts of education and entrepreneurial intention require further investigation (Peterman & Kennedy, 2003). Moreover, some researches indicate that higher level of education leads to lower curiosity and risk taking (Naughton, 1987). Even some research studies refer to the type of the education, and the system through which it is proposed. For instance, it has been shown that traditional education leads to lower creativity, curiosity, and risk taking, which later leads to lower tendency to become an entrepreneur (Ronstadt, 1989). Peterman and Kennedy (2003) claimed that formal education reduces the chances of becoming entrepreneurs, as these types of education are usually designed to prepare students to work in corporations.

Conclusively, A new World Bank report has identified entrepreneurship education and training as a catalyst that could stimulate innovation and generate jobs among university graduates, especially in Sub-Saharan Africa where graduate unemployment rates are high (Robb et al., 2014).

Results and Discussion

Table 1. Relative Influence of Socio-cultural, Economic and Educational factors on Entrepreneurial Intentions.

Variable	Descriptive statistic			Unstandardized coefficient		Stdcoeff	t-ststistics		
	N	Mean	Sd	B	Std error	Beta	T	Sig	P
Constant		633667	6.10353	2.830	8.845		0.253	0.801	
SOCIOCUL	60	61.7500	5.14411	0.323	0.153	0.276	2.335	0.023	<0.05
ECO	60	62.6500	4.50922	0.534	0.148	0.395	3.395	0.001	<0.05
EDU	60	627333	5.42385	0.109	0.131	0.095	0.832	0.409	>0.05

Hypothesis one which states there is no significant influence of socio-cultural factors on entrepreneurial intention electrical craftsmen was analyzed using multiple regression analysis. The result which is presented in table4.1 above reveals that socio-cultural factors significantly influenced entrepreneurial intention among electrical craftsmen in the study area. The result indicates that socio-cultural factors influenced entrepreneurial intentions by 26.7%. Previous researches did not deal with socio-cultural factor as

Research Methodology

This study adopts a survey research design. The sample for the study was drawn from craftsmen who have identifiable workshop through which they can be contracted for service. The total enumeration sampling technique was adopted for this study. This technique was adopted because of the relatively small population and to avoid biases in the collection of data. A total of Sixty (60) electrical craftsmen were selected for the study. The instrument used for data collection in this study was a structured questionnaire. It adopted a four-point rating scale, whose options were as follows; Strongly agree (4); Agree (3); Disagree (2); and Strongly disagree (1) point respectively. The questionnaire was validated for construct and content by two experts in the Department of Technology and Vocational Education of the Niger Delta University, Amassoma, Bayelsa Nigeria. The vetted questionnaire was then administered to the respondents. The questionnaire was administered to the electrical craftsmen who are the respondents with the aid of two research assistants. The data for the study was analyzed using multiple regression analysis. To run the regression analysis, the aggregate mean score was converted to percentage to bring all variables to a common term as the various question items on the questionnaire are not of equal number of questions.

having an aggregate effect but treated it in components. For example in a study conducted by Mai and An (2016) in Vietnam National University, it was reported that prior entrepreneurial experience has certain impact on students' attitude toward entrepreneurship and intention to choose it as their future profession. This experience they claimed was impacted on the students by family background. This shows that one going for the setting up of a business is influenced by early grooming. In a similar study

conducted by Fitzsimons and Douglas (2011), reported that there is an association of human capital and the decision to exploit entrepreneurial chances. The persons who have a greater entrepreneurial human capital and entrepreneurial characteristics tend to have higher intention to start a business venture. In another related study conducted by Trachev and Kolvereid (1999) on social desirability which is an aspect of socio-cultural effect on entrepreneurial intention, they found a positive association between social desirability and entrepreneurship career intention. It was also reported by Autio et al (2001) that attitude and social norms are the major factors for explaining entrepreneurial intention. Attitude towards self-employment was reported by Lakovleva et al (2011) who stated that individual attitude toward business is positive or negative, and that those who do business do so because they do not have a paid job. If given the opportunity no one would set up a business except on part-time basis.

Hypothesis two which states that there are no significant economic factors influencing entrepreneurial intention of electrical craftsmen in Yenagoa was analyzed using regression analysis. The result reveals that economic factor was statistically significant in influencing entrepreneurial intentions. It could be observed that economic factors had a causal relationship of 39.5% on entrepreneurial intentions. Contingency theory of entrepreneurship suggests that people do not become entrepreneurs willingly, rather situations force them to become. Hence in periods of inflation, market condition, (demand and supply) actually force people into business. In the same vein, access to finance and monetary and fiscal policies of government inhibit or completely stop people from becoming entrepreneurs.

Hypothesis three which states that there are no significant educational factors influencing entrepreneurial intention of electrical craftsmen in Yenagoa was analyzed using regression analysis. The result is presented in table 1 above. It was revealed that educational factors did not influence entrepreneurial intentions. This result is at variance with Izedonmi and Okafor (2010) who examined the effect of entrepreneurial education on students' entrepreneurial intentions. It was discovered that, positive relationship exists between students' entrepreneurship education and their entrepreneurial intentions. Knowledge and skills are major influencing factors in students' entrepreneurial intention. Remeikiene, Startiene and Dumciuviene (2013), reported that education has the biggest positive effect on the following trait, which contributes to the development of students entrepreneurial intention:

1. Self-efficacy

2. Knowledge of business management basics

3. Development of internal locus of control

In the current study education did not influence entrepreneurial intention because going into craftsmanship occupations was seen as degrading on their attained formal education.

Conclusion

Socio-cultural, economic and educational factors impinge on entrepreneurial intention. One need to rise above certain cultural values, and should be equipped with education to earnestly pursue entrepreneurial intentions.

Recommendation

1. Government and non-governmental organizations should go back to the drawn board on how to plain their training programmes on entrepreneurship.
2. Government should create the enabling environment that would encourage entrepreneurship and to also enhance success.

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