UNIVERSITIES AS A PIPELINE OF ENTREPRENEURS IN AN EMERGING ECONOMY A MODEL OF ENTREPRENEURIAL INTENTION

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ABSTRACT

Entrepreneurs and entrepreneurship have been identified as alleviators of unemployment, poverty and slow economic growth. The National Development Plan 2030 (2012) indicated that 11 million jobs are needed by the year 2030 and to realise this country need to produce entrepreneurs. It has been established, in research, that entrepreneurship education has an encouraging effect on entrepreneurship. This study looked at universities, within the Western Cape, South Africa, as a possible a pipeline of entrepreneurs that would enter the economy after completing their entrepreneurship studies. The study used the Theory of Planned Behaviour to determine the predictors of entrepreneurial intention of the students. The factors that influences entrepreneurial intention, used in this study, was attitude towards entrepreneurship, role models, entrepreneurial leaders and resources and opportunities at universities. 240 students were interviewed and a questionnaire was developed and tested for the purpose of this study. The model yielded a variance of 57.6%, explaining the entrepreneurial intention of students. Understanding the influencers of entrepreneurial intention will assist in the development of entrepreneurship programs at universities and what is required to increase entrepreneurial intention which ultimately leads to entrepreneurial behaviour.

Keywords: Entrepreneurship, Student Entrepreneurs, Entrepreneurship Education, Universities, Intention.

INTRODUCTION

South Africa, like so many countries across the world, has looked to entrepreneurship as a vehicle to alleviate poverty and ensure economic growth, which is evident in its National Development Plan 2030 (NPD, 2013). The NDP 2030 (2012) indicated that the creation of 11 million jobs is required by the year 2030 to ensure the country’s economic sustainability and entrepreneurship was identified as the mechanism with which to obtain this targeted number of jobs. South Africa is presently encountering a crisis with a current unemployment rate of 30.8% StatsSA, 2020 which has increased from 20% in 1994 (StatsSA, 1998). Fal et al. (2010) argued that entrepreneurship is the solution to eradicating slow economic growth and unemployment.

Entrepreneurial intention is considered the main driver of entrepreneurial behaviour therefore, the higher degree of intention the greater possibility of the behaviour being performed (among others, Bird, 1988; Azjen, 1991; Van Gelderen et al., 2008). For this reason, the researcher has adapted Azjen’s Theory of Planned Behavior model and incorporated four factors which would influence entrepreneurial intention of university students. Entrepreneurship education, at universities, is imperative to the development of entrepreneurs in order to start businesses which will create jobs, alleviate poverty, and stimulate economic growth. The study
LITERATURE REVIEW

Theory of Planned Behavior

Boudewyns (2013) mentioned that TPB was designed as an extension of the Theory of Reasoned Action (TRA) which was to include behaviors of persons who did not have complete volitional control, even though the TPB and TRA are identical, personal behavioral control (PBC) was included in TPB as a precursor to intention and the assumption that volitional control was no longer imposed on the model.

Behavioral Intention

Behavioral intention is an individual’s mental strength to follow through with the intention to perform a particular behavior (Hoffman, 2019); Fishbein & Ajzen (1975) describe it to be understood as capturing motivational factors that influence the behavior in addition to indicating the individual’s readiness to perform the intended behavior.

Attitude towards Behavior

An attitude is the degree to which a person holds a positive or negative evaluation of the behavior in question (Fishbein & Ajzen, 1975; Ajzen, 1988). However, in relation to the model Ajzen (1991) suggests that ATB does not directly affect the behavior but rather works through intention. For the purpose of this study, attitude towards the behavior was renamed to attitude towards entrepreneurship (ATE) however; the theoretical foundation of the concept remains the same.

Subjective Norms

According to Fayolle, (2002) the SN is the perceptions of the individual and what other important people, close to the individual, think about the intended behaviour. Ajzen, (1991) mentions that SN measures the perceived social pressure from family, friends and significant other to perform or not perform the behaviour. Should this pressure be exercised, positively or negatively by those close to the individual making the decision, it will influence the decision. Therefore, a positive result would lead to the individual starting a business (Ajzen, 1991). On the other hand Shane (1992) mentioned that it can also hinder the person from starting a business. The influence or impact of role models and entrepreneurial leaders on the entrepreneurial intention of students, in the form of their lecturers and family and friends, placed within the category of subjective norms.

Perceived Behavioural Control

PBC was developed and influenced greatly through the work done by Bandura (1977) on self-efficacy which is similar in construct and is described as a belief about a person’s ability to perform a behavior irrespective of the situation. Fishbein & Ajzen (2010) defines PBC as, “the extent to which people believe that they are capable of, or have control over, performing a given behavior”. Trivedi (2016) mentioned that PBC reflects the belief relating to access of resources
and opportunities needed to perform the intended behavior, or internal and external factors that may hinder the performance of the intended behavior. Ajzen (1991) found that when individuals consider embarking on a start-up business they judge its feasibility, the availability of resources and the individual’s ability to perform the required action. The greater the perception of PBC, the greater the intention of performing the behavior (Krueger et al., 2000). PBC has been found to be the most important factor in shaping intention (Arenius & Kovalainen, 2006; Souitaris et al., 2007; Van Gelderen et al., 2008). PBC was measured in terms of resources and opportunities available to students at the universities.

**Entrepreneurial Intention**

(Entrepreneurial) intention is a state of mind that focuses on a person’s attention, experience, and specific behavior or object (Bird, 1998). Entrepreneurial intention (EI) is defined as the quest for information that will aid in the formulation and creation of a venture (Ajzen, 1991). Van Gelderen et al. (2008) argued that (entrepreneurial) intention towards a specific behavior is the key ingredient that ultimately determines what the person already intended to perform. Therefore, based on evidence in literature, entrepreneurial intention is the impetus behind a person’s ultimate entrepreneurial behavior.

**METHODOLOGY**

The study makes use of a qualitative research methodology; as the literature was consulted, and the data collection methodology was used by means of a questionnaire that was developed. The study was conducted using 240 final years’ students studying entrepreneurship at four universities within the Western Cape, within its Commerce or EMS Faculties. The questionnaire was developed using the Target, Action, Context and Time (TACT) elements introduced by Ajzen, (2002) which focused on the behavior of interest.

A sample test was conducted of 30 students, randomly selected out of the population to test the reliability and validity of the questionnaire. Based on the statistical results; where no correlation was found, questions were removed from the questionnaire. Thereafter the final questionnaire was given to the students to be completed, then collected and collated for analysis.

**FINDINGS AND DISCUSSION**

The reliability (Cronbach Alpha) of each subscale was tested and the results were Entrepreneurial intention (0.897), Attitude towards Entrepreneurship (0.84), Entrepreneurial Leadership (0.824), Role Models (0.912) and Resources and Opportunities (0.797).

Multiple regressions are based on correlation, which allows for a more sophisticated exploration of the interrelationships among a set of variables (Pallant, 2011). Pallant, (2011) adds that multiple regression will further inform one about the model as a whole (all subscales), as well as the contributors of the model (individual subscales), and will allow one to test whether a variable contributes to the predictive ability of the model.

The overall measure of the model starts with the totalling of each subscale item, which is followed by a regression analysis of the subscale totals. The resultant correlation between the dependent variable (TINENT) and the independent variables shows in Table 1 (TATTITUDE, TLEADER, TROLE, and TRESOURCE) are as follows:
There is a “strong” correlation between TINENT and TATTITUDE, which is 0.737

- There is a “strong” correlation between INTENT and TLEADER, which is 0.506;
- There is a “medium” correlation between INTENT and TROLE, which is 0.351; and
- There is a “medium” correlation between INTENT and TRESOURCE, which is 0.411.

<table>
<thead>
<tr>
<th>R</th>
<th>R Square</th>
<th>Adjusted R Square</th>
<th>Std. Error of the Estimate</th>
<th>Change Statistics</th>
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<tbody>
<tr>
<td>0.759a</td>
<td>0.576</td>
<td>0.569</td>
<td>4.17</td>
<td>R Square Change</td>
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For the model summary we look at the R Square, which indicates how much variance in the dependent variable is explained by the model (Pallant, 2011). In the case of this research the model explains 57.6% of the variance in TINTENT.

To ascertain the statistical significance of the result, it is necessary to look at the ANOVA which tests the NULL hypothesis that multiple R in the population equals 0. In this research it reaches statistical significance (Sig. = 0.000 the really means p<0.0005) shows in Table 2.

<table>
<thead>
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<th>Model Summary</th>
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As mentioned earlier, the model in this study has been shown to have a variance of 57.6% which means that the model explained 57.6% of the entrepreneurial intention of students that participated. The ANOVA has shown this model to be significant with, attitude towards entrepreneurship to be the highest predictor of entrepreneurial intention followed by resources and opportunities.

The findings in this study concurs with the findings of researchers, such as (Harris & Gibson, 2008; Liňán & Chen, 2006; Watchravesringkan et al., 2013) agreeing that attitude towards the behavior is one of the most significant and influential constructs of TPB in explaining entrepreneurial intention. Entrepreneurial leadership and role models, who have been designed as the SN, has proven to support researchers (example, Conner & Armitage, 1998; Kolvereid & Isaksen, 2006; Krueger et al., 2000) that SN is not a strong influencer of entrepreneurial intention.

CONCLUSION

From this study it can be deduced that attitude towards entrepreneurship is a cognitive factor that need to be kept top-of-mind when facilitating entrepreneurship as a module. In the
process of conducting this study the research experienced the impact of lecturers as role models where there were no significant role models in the lives of students. The entrepreneurial leadership of those responsible for academic planning were non-existent in some cases, as no new entrepreneurship education pedagogy was introduced which would align with current research; however, there was a great expectation for change in the increase of start-ups; as Albert Einstein is credited in saying, “doing the same thing over and over again and expecting different results.” Resources and opportunities play a pivotal role in the development of entrepreneurs; and the significant influence on the entrepreneurial intention of students was shown in this study. Amongst the universities where students were interviewed, only two universities showed any support in the form of resources or opportunities that were made available to students.

It is important to realize that there is a great need for students to develop as entrepreneurs, not only as a political agenda but also as a dire need to develop and grow economies. The dilemma that is currently being faced highlights the need for the development of entrepreneurs in various sectors of the economy; as business and the way in which business is conducted has been changed and will not return to what was once considered normal. Now is the time to develop the attitude towards entrepreneurship of students.

REFERENCES


