

## DEMOGRAPHICS, ENTREPRENEURIAL SELF-EFFICACY AND LOCUS OF CONTROL AS DETERMINANTS OF ADOLESCENTS' ENTREPRENEURIAL INTENTION IN OGUN STATE, NIGERIA

**AYODELE, Kolawole Olanrewaju**

Office of Institutional Effectiveness, Babcock University Ilishan,  
P.M.B. 21244, Ogun State, Nigeria

E-mail: ayodelek@babcock.edu.ng, ayodelewole@gmail.com

Phone numbers: 08060253428, 08055676925

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### ABSTARCT

The study investigated the relationship between sex, socio-economic status, age, locus of control, entrepreneurial self-efficacy and entrepreneurial intentions among some Nigerian adolescents. A sample of Two hundred and ten (210) students randomly selected from SSS 3 classes in seven secondary schools in Remo Educational Block of Ogun State took part in this study. Four instruments were used for collection of data: Locus of Control Behaviour Scale, Entrepreneurial Self-efficacy Scale, Entrepreneurial Intention Scale, and Demographic Data Collection Scale. Three (3) research hypotheses were formulate and tested. Data collected was analyzed Hierarchical Multiple Regression Analysis. Findings revealed that locus of control, entrepreneurial self-efficacy, and socio-economic status had significant correlation with the adolescents' entrepreneurial intentions, while age and sex were not. The need for School Counsellors to build into the school termly guidance programmes, motivational strategies capable of raising entrepreneurial intention or attitude in their students was discussed.

**Key words:** *Adolescents, entrepreneurial intentions, Locus of Control, Entrepreneurial Self-efficacy, Career maturity, socio-economic status, age, sex.*

## Introduction

In the recent years, there is a great interest in entrepreneurial education from scholars as “a field of research as well as practical application worldwide as a means to achieve wealth creation and personal fulfillment”. Also, Ma and Tan (2006) see entrepreneurship as a generator of national prosperity and competitiveness. According to Koh (1996) “one’s needs, drives, attitudes, beliefs, and values are the primary determinants of an entrepreneur’s behavior”.

A reliable predictor or measure of entrepreneurial behavior and entrepreneurial activity according to Krueger and colleagues (2000) is entrepreneurial intention. In the words of Bird (1988) “entrepreneurial intentions are a state of mind, which directs and guides the actions of the individual toward the development and the implementation of new business concepts”. Entrepreneurial behavior can also be viewed as a person’s will to execute new venture formation behavior or exploit (Grundsten, 2004).

Individual’s beliefs about his or her competencies and zeal/power to utilize such competencies in accomplishing a given task and situations are anchored on self-efficacy. These beliefs either accurate or not is an estimation of how well one can marshal one’s cognitive, physical and emotional resources to accomplish specific goals (Maddux & Gesselin, 2003). Self-efficacy therefore is all encompassing because it has something to do with believing in oneself to successfully execute and accomplishing some tasks that will produce desired end results (Bandura, 1999).

Markham, et al. (2002) in their study affirms that that what motivate individuals to demonstrate entrepreneurial behavior is their self-efficacy belief, rather than their objective ability. Factors such as education and past experiences are potent factors that may influence individual’s belief in starting a new venture (Hollenbeck & Hall, 2004). Some scholars and researchers are of the opinion that self-efficacy cannot be completely distinguished from some other personality traits such as locus of control. While locus of control emphasizes authority over the aftermaths of activities or actions; self-efficacy on the other hand is grounded on confidence in oneself in undertaking particular tasks (Boyd & Vozikis, 1994).

According to Wilson, Kickul, & Marlino, (2007), self-efficacy is purview in nature and differs based on various chores and circumstances; while Chen, Greene, & Crick, (1998) asserts that self-efficacy cannot be completely isolated from other related chores or performances. It should be noted, however, that one of the essential constituents’ model of entrepreneurial intention is self-efficacy and feasibly operationalized often (Segal, Borgia & Schoenfeld, 2005, Ajzen, 2002). Segal, Borgia & Schoenfeld, (2005) asserts that individual with high entrepreneurial self-efficacy has the tendency to become an entrepreneur later in life. Zhao, Seibert, and Hills (2005) emphasized the “mediating role of entrepreneurial self-efficacy on the relationship between entrepreneurship courses and university students’ entrepreneurial intention”.

“The need for achievement is based on expectation of doing something better or faster than others and better than the person’s earlier accomplishments” (McClelland 1961 cited in Kundu & Rani, 2007). Creation of new ideas, methods, products, markets and/or a new organization is at the center of creativity and innovation. It involves conceiving, recognizing an idea as well as utilizing business opportunities and activities in a novel and distinctive ways (Drucker 1985). Individual’s discernment of control and ingenuity over his or her own business is associated to his or her control over every external and internal circumstance related to business outcome. Studies by Kundu & Rani (2007), Robinson et al. (1991) ascertained that a positive entrepreneurial approach is a manifestation of internal person control. Self-esteem on the other hand is “associated with feelings about oneself. It is an important construct of personality for researches in the workplace because perceptions of others’ about self-esteem may influence individuals’ outcomes” (Strauss 2005).

Entrepreneurs have shifted their intentions toward the information processing and selection in order to explore the external environment (Shane and Venkataraman 2000; Nicholls-Nixon, Cooper, & Woo 2000), this shifted attention is the cognitive processes and mechanisms of entrepreneurial survival. “Even though environmental resources play a role, human resources are generally found to be better predictors of outcome of the business startup process” (Rotefoss and Kolvereid 2005). A research conducted by Herath, Herath, and Azeez (2006) revealed that personal characteristics and knowledge play key roles in individual and business performance.

Demographic factors such as gender could also be likely factors affecting innovative attitude. Harris and Gibson (2008) reported that there was a significant difference between male and female business students in their need for innovation in business, with males having higher scores on the entrepreneurial attitude scale than females. These results conflicted with a previous study (Wilson, Kickul, & Marlino, 2007) which showed that entrepreneurship education resulted in higher self-efficacy scores for women MBA students than for male MBA students. Based on their research, Wilson et al. (2007) concluded that women need the self-confidence and expectation of success in order to pursue entrepreneurial aspirations. Demographic factors such as household income, gender, and race or ethnicity were found to potentially affect the innovative attitude of arts and business students (Gibson and Gibson, 2010).

By and large, there is a dearth of researches on the determinants of entrepreneurial intentions among Nigerian adolescents, using demographic, self-efficacy and locus of control. Consequently, this study is aimed to bridge such research gaps in Nigeria. Specifically, this study investigated the connection of some demographic factors (age, gender, and socio-economic status), self-efficacy and locus of control on entrepreneurial intentions among Nigerian adolescents.

Three major hypotheses were formulated and tested at the .05 level of significance in order to achieve the purpose of this study:

1. Age, gender, and socio-economic status will significantly predict adolescents’ entrepreneurial intention.
2. Locus of control will significantly predict adolescents’ entrepreneurial intention.
3. Entrepreneurial self-efficacy will significantly predict adolescents’ entrepreneurial intention.

## **Methodology**

**Research Design:** A descriptive survey design of an ex-post-facto type was used to collect data from the participants on the variables of the study.

**Participants:** Two hundred and ten (210) participants randomly selected from SS3 students in seven secondary schools in Ikenne local government area of Ogun State, Nigeria. The schools were selected through simple random sampling techniques. The random nature of the sampling procedure ensures that the sample selected is a true representative of the population. The respondents were equally represented in terms of gender and school locality. The mean age of the respondents was 13.28 with an age range of 14-20 years.

## Measures

**Demographic Information Sheet:** The demographic information sheet was used to assess participants' information based on gender (male or female), age in years, and parental socio-economic status.

**Entrepreneurial Self-Efficacy:** Entrepreneurial self-efficacy was measured by a 6-item self-assessment scale. The items on this scale represent competencies related to business/ entrepreneurial success (Marlino & Wilson, 2003). The respondents were asked to compare themselves in these skill areas to relevant peers ("others in the business world.") The items included "being able to solve problems," "making decisions," "managing money," "being creative," "getting people to agree with you," and "being a leader." The respondents rated their self-efficacy level on a 5-point Likert scale (1 = a lot worse; 5 = much better). Internal reliability was between .79 and .82.

**Locus of Control Scale: Locus of Control of Behaviour Scale (LCBS;** Craig, Franklin, & Andrews, 1984) assesses a participant's tendency to internalize or externalize responsibility for events or circumstances in their lives. The instrument has 17 items that adopt six-point likert format with response options ranging from 0 = Strongly Disagree to 5 = Strongly Agree. The internal consistency reliability of the LCB by Cronbach's alpha  $\alpha = .83$ . The scale was found to be suitable for Nigerian samples.

**The Entrepreneurial Intention Questionnaire (EIQ,** Liñán & Chen, 2006) was made up of 24 items. Although EIQ was factor analysed into four subscales. The scale adopts a seven-point Likert-type format ranging from 1 (minimum attraction) to 7 (maximum attraction). Sample of the items include: "I will make every effort to start and run my own firm", "I've got the firm intention to start a firm someday". The internal consistency of the scale by Cronbach's alpha  $\alpha = .81$  for the present sample.

**Procedure:** Biographical data scale was used to assess the demographic details of the participants while entrepreneurial self-efficacy, Locus of Control Behaviour Scale, and Entrepreneurial Intention Questionnaire were administered on the sample through the assistance of two (2) research assistants who were postgraduate students.

**Data Analysis:** The data collected were analyzed using product moment correlation coefficient and hierarchical multiple regression statistical tools. The criterion variable or dependent variable was entrepreneurial intention while the predictor variables were demographic factors (age, gender, and socio-economic status), locus of control, and entrepreneurial self-efficacy.

## Results

**Table 1:** *Correlation Matrix of the Dependent and Independent Variables*

S/No	Variable	Mean	SD	1	2	3	4	5	6
1	Gender	1.50	.58	1.00					
2	Age	15.86	4.29	.06	1.00				
3	Socio-economic Status (SES)	1.65	.53	.03	.05	1.00			
4	Locus of control	43.11	5.77	.43*	.28*	.09	1.00		
5	Entrepreneurial Self-efficacy	18.90	9.32	.23*	.09	.18	.37*	1.00	
6	Entrepreneurial Intention	26.07	7.81	.12	.16	.58*	.89*	.63*	1.00

Note: N = 210

a. Gender was graded 1 = male, 2 = female

b. Age was graded 1 = 12-14yrs, 2 = 15-17yrs and 3 = 18yrs above

c. SES was scored 1 = low, 2 = middle, and 3 = high

\* Correlation is significant at the 0.05 level (2-tailed)

The correlation matrix results as shown on Table 1 revealed significant positive relationship between entrepreneurial intention and socio-economic status ( $r = .58, p < .05$ ), locus of control ( $r = .89, p < .05$ ), and, entrepreneurial self-efficacy ( $r = .63, p < .05$ ). Significant positive correlations were also found between locus of control and gender ( $r = .43, p < .05$ ), locus of control and age ( $r = .28, p < .05$ ); entrepreneurial self-efficacy and gender ( $r = .24, p < .05$ ), entrepreneurial self-efficacy and locus of control ( $r = .37, p < .05$ ). No significant relationship was shown between entrepreneurial intention and gender ( $r = .12, p > .05$ ), as well as, age ( $r = .16, p > .05$ ).

**Table 2:** *Hierarchical regression analyses of dependent on independent variables*

Variables	R	R <sup>2</sup>	$\Delta R^2$	$\Delta F$	$\beta$	df	t
Step 1	.17	.05	.03	1.08		(3,206)	
Gender						.09	.865
Age						.11	.606
SES						.22	1.99*
Step 2	.29	.27	.25	7.11		(4,205)	
Locus of Control						.39	5.33*
Step 3	.23	.18	.18	5.98		(5,204)	
Entre. Self-efficacy						.27	3.71*

\*  $P < .05$

A three-step hierarchical regression analysis was done, whereby in step 1 entrepreneurial intention and demographic factors were regressed, locus of control (step 2), and entrepreneurial self-efficacy (step 3), as shown and summarized in Table 2. The results indicated insignificant prediction of demographic factors on entrepreneurial intention among Nigerian adolescents ( $\Delta R^2 = .03$ ,  $df(3,206) = 1.08$ ,  $p < .05$ ). Gender and age did not make significant separate contributions to the prediction of entrepreneurial intention, but socio-economic status do. It could be deduced therefore, that socio-economic status is a potent predictor of entrepreneurial intention among the participants.

In step 2, locus of control significantly contributed to the prediction of entrepreneurial intention ( $\Delta R^2 = .25$ ,  $\beta = .39$ ,  $df(4,205) = 5.33$ ,  $p < .05$ ), thereby confirming that locus of control will significantly predict adolescents' entrepreneurial intention. The addition of entrepreneurial self-efficacy in step 3, brought about a significant prediction of adolescents' entrepreneurial intention ( $\Delta R^2 = .18$ ,  $\beta = .27$ ,  $df(5,204) = 3.71$ ,  $p < .05$ ). Hypothesis 3 is thereby supported.

## Discussion of Findings

The outcomes of this study showed that out of all the demographic influences, its only socio-economic status that significantly predicted adolescents' entrepreneurial intention. These results contradict sharply with findings of Harris & Gibson, 2008; Wilson, Kickul, & Marlino, (2007) that found that significant gender and age differences in entrepreneurial attitude scale scores of students. The results on the effect of parental socio-economic status lend credence to the work of Gibson and Gibson (2010) who found household income and socio-economic status to be potent predictors of innovative attitude of students toward entrepreneurship.

The finding that locus of control significantly contributed to the prediction of entrepreneurial intention corroborate the work of Kundu & Rani, (2007), Robinson et al. (1991) who found that "perceived person control (locus of control) of business outcomes is concerned with the individual's perception of control and influence over his or her business. Internal person control leads to a positive entrepreneurial attitude". Also, adolescents' entrepreneurial intention was positively correlated with locus of control. This outcome is supported with the findings of Strauss (2005).

The tendency of becoming an entrepreneur among the participants of this study is highly associated with their intention. This finding corroborates the work of Segal, Borgia & Schoenfeld, (2005), and Zhao, Seibert, and Hills (2005) that the relationship between entrepreneurship education and students' entrepreneurial intention was mediated by the role of self-efficacy. The justification for this outcome is grounded on the notion that individual needs to develop a strong will of self-confidence to become entrepreneurs, and/or likely to be entrepreneurial oriented.

## Findings' Implications

The discoveries of this study have pronounced implications for programmes for fostering entrepreneurial behaviour in schools. The results of the study revealed that demographic factors (age and gender) of students significantly did not have any influence of adolescents' entrepreneurial intention or attitude, while parental socio-economic status affects students' orientation towards entrepreneurship. This means that the entrepreneurial behaviour can be instilled in the life of our youngsters in spite of their background or nature, therefore increasing the propensity of building viable and self-reliant individuals, who will in turn enhance wealth creation in the country and personally fulfilled.

The significant relationship between entrepreneurial intention, self-efficacy and locus of control specify that absence of these variables can weaken entrepreneurial behaviour among our youths. It could be deduced that all the three independent variables has the potency power of predicting entrepreneurial

behaviour among Nigerian youths. The implication is that there is need for Guidance Counsellor, and as well as the school managers (Ministry of Education and the Principals) to organize entrepreneurial improvement programmes. Such programme should include self-efficacy intervention capable of enhancing entrepreneurial behaviour.

Above all, entrepreneurial education should be incorporated into secondary school curriculum to enhance their intention and attitude towards entrepreneurship. Also, School Counsellors should build into termly guidance programmes, motivational strategies capable of raising entrepreneurial intention or attitude in their students.

It should be noted, however, that the participants' demographic results (gender, age, and except socio-economic status) did not predict entrepreneurial intention or attitude, while self-efficacy and locus of control could be relied upon in the prediction of entrepreneurial intention or attitude among individuals.

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