

# THE INTERNATIONAL JOURNAL OF BUSINESS & MANAGEMENT

## Undergraduate Students' Entrepreneurial Motives, Nigeria

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### Abstract:

A limited number of articles have been published on entrepreneurial motives. This paper aims to identify entrepreneurial motives of Undergraduate students in Nigeria. The population consists of (n=225) Nigerian undergraduate students. The Aspiring Entrepreneurial Motivation Questionnaire (AEMQ), KMO and Bartlett's Test for entrepreneurial motives were used for data collection. Analysis of the KMO and Bartlett's Test indicated Following Family Traditions as the most significant entrepreneurial motive. It was recommended that undergraduate students should be taken as apprentice by mentors with family businesses and further research should be done in other states and schools.

**Keywords:** Entrepreneurial motives, undergraduate students, Nigeria

### 1. Introduction

Entrepreneurship is an important factor for economies whether it being a big or small and developed or less developed economy. The basic elements of the economy founded and created contributions to economic growth by those brave and hardworking people in the firms that are called entrepreneurs. Entrepreneurship has a remarkable influence on economic development and growth (Friedman, 2011; Kirzner, 2009; Acs et al, 2008). Entrepreneurship is one of the best opportunities to overcome the recession in transitioning economies. The Federal Ministry of Education instructed that entrepreneurship studies be included as part of the curricula of the higher education institutes starting from 2007/2008 academic year (Gabadeen & Raimi, 2012). Shane (2009) argued that encouraging individuals to become entrepreneurs does not always improve economies (e.g., increase employment, spur economic growth, or generate innovation). Initiatives that stimulate the formation of high quality, high growth companies are more likely to. Higher Institutes and Successful organizations should encourage entrepreneurship to the younger generations in especially in developing countries to start-up businesses.

The motives of entrepreneurs are important but little research study exists that identifies what predicts the desire to become an entrepreneur. This research would have vast implications for policy makers to encourage and motivate entrepreneurship. The purpose of this study is to identify predictions of students' desire to be entrepreneurs among Nigerian under-graduate students.

Indicators	Nigeria
Governance Type	Parliamentary-Federal Republic
Area	923,768 km <sup>2</sup>
GNI per capita, PPP (current international \$)	2,800.0
Population	177 155 754
Religion	50.0% Muslim 40.0% Christian
Literacy rate	61.3%
Unemployment rate	23.9%
Doing Business Rank (2015)	170
Index of Economic Freedom (2015)	116

Table 1: Nigeria's Social and Economic Indicators

[www.stat.kg](http://www.stat.kg)

<http://databank.worldbank.org/>

<http://www.heritage.org/>

#### 1.1. Statement of Problem

The Nigerian economy has been largely dependent on the oil and gas sector, accounting for over 90% of the nation's foreign revenue. But the decline in oil revenue in recent years was nearly 60% previously, the cash-flow from the oil and gas sector has made the government not to pay attention to the development of other industries that would support the entrepreneurs in Nigeria. This led to the over dependence on oil that has discouraged most Nigerian youths and entrepreneurs from dedicating their time, energy and also investing in other sectors of the economy that would contribute to the diversification of Nigeria's economy (Jelilov, 2015). However, aspiring to become and entrepreneur is

multidimensional in factors and the university business students represent an important feeder pool for a nation's supply of entrepreneurs

### 1.2. Research Objectives

The aim of this paper is to identify entrepreneurial motives of Nigerian students.

### 1.3. Research Questions

What are entrepreneurial motivations of undergraduate students in Nigeria ?

## 2. Literature Review

### 2.1. Entrepreneurial Motives

'A person cannot win a game that they do not intend to play'. In this context this statement suggests that success depends on people's willingness to become entrepreneurs (Shane et al. 2003. p. 257).

Maslow's (1954) hierarchy of human needs is another reasonable model to summarize why people start their own business. It could be a way to satisfy lower-level human needs through financial security (Vesalainen and Pihkala, 1999) and family security (Kuratko et al., 1997) or it could be a way to satisfy higher level human needs, like being associated with operating a business and being one's own boss, fancy lifestyle, sense of belonging or achievement (Abbey, 2002). Satisfying these needs is contextual with three implications. The first is cultural, motives for starting a business differ from region to region. The second implication is industry oriented. (Middleton, 2001). The third implication is that entrepreneurial behavior is a process along with entrepreneur's motive to change over time (Shane et al.2003)

### 2.2. Previous Studies on Entrepreneurial Motives

In a study among Nigerian entrepreneurs, it was found that males were significantly different from females in their reasons to start a business. As an example, majority of female entrepreneurs expect to enjoy their businesses than the male ones. (Unruh et al, 2014).

Ibrahim & Abdullahi (2014) examined the mindset of Nigerian students towards entrepreneurship. One of the findings showed that the Nigerian environment is not encouraging students to practice their entrepreneurial intention after graduation.

Little empirical research has addressed entrepreneurial motives. Yalcin and Kapu (2008) conducted a study that described motives and challenges faced by entrepreneurs. Based, these authors identified four entrepreneurial motives: (financial gain) increases in personal wealth, the need for achievement and self-actualization (recognition), independence and liberation (freedom), and family business (family tradition). However, no instrument to measure these motivations had yet to be developed. KMO and Barlett's developed a factor analysis test to determine entrepreneurial motives (2016). Aziz et al. (2012) developed the Aspiring Entrepreneurial Motivation Questionnaire (AEMQ) to measure the motives.

## 3. Methodology

The main purpose of the study is to identify entrepreneurial motives of undergraduate students. A survey was realized at Nile University Abuja. The sample size consists of undergraduate students, who study business administration, from Nile University of Nigeria (n=225) Universities. The AEM Questionnaire used in this study was developed by Aziz et al (2013), KMO and Barlett's Test was used for factor analysis. Five-point Likert scale was used to measure perceived motives variables: 5 was «strongly agree», 4 was «agree», 3 was «neither agree nor disagree», 2 was «disagree» and 1 was «strongly disagree».

## 4. Findings

Variables		Nigeria
Institution		Nile University of Nigeria
Sample size		225.0
Age (average)		19.0
Gender	Male	53.3
	Female	46.7
Year	I	73.8
	II	8.2
	III	7.4
	IV	10.7
Family business	Yes	58.2
	No	41.8

Table 2: Main Characteristics of Both Sub-Samples

The 225 students used for this study were from various class years and departments including sciences. The average age is 20.8-year-old. 53.3% are males, 46.7% are females. More than half of the students' family (60%) have their

own businesses, in Nigeria since 58.2% of them have family business while the remaining 41.8% do not have family businesses.

Factor	Own Business	N%	Mean	Std. Deviation	Std. Error	Sig.
Financial and Recognition Motives	Yes	58	35,258	,89027	,10566	,010
	No	41	30,850	,96112	,13458	
Family Tradition Motives	Yes	58	34,296	1,10,936	,13166	,023
	No	41	29,510	1,17,156	,16405	

Table 3: Independence Sample Test

Family tradition (business) has a higher significance of entrepreneurial motive to undergraduate students. This makes sense since more than half of the students come from families with businesses.

## 5. Conclusions

Nigeria has a transitioning economy where many entrepreneurs start their businesses due to financial stability. Nigerian students don't feel the need for self-achievement, rather are more motivated by family traditions. Market opportunities motivates Nigerians but it is not surprising that Family businesses is what motivates them the most, many of the students in the research reported that their family ran businesses which has helped provide income for the family members. Market opportunities also drive students because even though the market is less developed, there are still many opportunities for entrepreneurs. The aspiring entrepreneurs should be mentored and monitored in a positive way by successful organizations and institutes for mental and emotional support.

The sample consisted only of one university from Nigeria regardless of ethnicity, religion and culture as Nigerians have three major cultures and according to national statistical data for 2010, Further research should cover more students in different parts of the country to get a full picture and to make sure it's not just the students at Nile University that think a certain way.

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