EFFECT OF UNIVERSITY SUPPORT, SOCIETAL VALUES AND PROPENSITY TO ACT ON ENTREPRENEURIAL INTENTIONS AMONG STUDENTS FROM TWO KENYAN UNIVERSITIES

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ABSTRACT

Entrepreneurship has been recognized by many nations across the globe as a driver to economic development. Universities have their role in advancing entrepreneurship through imparting skills and knowledge to the students. This study examined the effect of university support, societal values and propensity to act on entrepreneurial intentions among university students in Kenya. A descriptive survey design was employed in the study. A census sample of 126 entrepreneurship students of Moi university and 45 students of United States International University responded to the self-administered questionnaires. Data was analyzed using descriptive and inferential statistics. The results of regression analysis showed that university support, societal values and propensity to act have significant and positive relationship towards entrepreneurial intentions among university students. It is recommended that support from various parties such as Non-Governmental Organizations and governmental intervention on youth entrepreneurship programmes be mounted to help the students to convert intentions into successful entrepreneurial ventures in the future. Improvement should also be done in entrepreneurship education, as well as public policies, related to youth unemployment and development of entrepreneurial culture among the youth in Kenya and particularly among university students.

Keywords: University Support, Societal Values, Propensity to Act, Entrepreneurial Intentions, University Students, Kenya
INTRODUCTION:
Entrepreneurship and entrepreneurial culture are getting increased amount of attention in both academic research and general practice. Entrepreneurship is linked with adding value and as such, it has an impetus on economic growth, business growth, and employment creation globally. Empirical research supports positive links between entrepreneurial activity, economic growth and innovation. This explains why there is an increased focus in designing educational programmes to encourage entrepreneurship and to provide a fertile ground for business start-ups (Kuratko, 2005). However, the role of entrepreneurship and innovation has not been adequately addressed in the field of university education especially in developing nations (Knudson, Wysocki, Champagne, & Peterson, 2004).

Academic institutions such as universities have become incubation avenues where entrepreneurial culture is inculcated among students (Nastiti, Indarti, & Rostiani, 2010). Furthermore, universities play a crucial role in fostering entrepreneurship education with a view to propel the students toward moving into self-employment once they are through with their university education. According to (Sahban, Ramalu, & Syhputra, 2016), universities are supposed to nurture youth as 'active job creators'. The large number of candidates entering the labour market from universities make 'entrepreneurship' a subject of research in universities.

According to (Nastiti, Indarti, & Rostiani, 2010) the decision to start a new firm is assumed to be planned for a period of time and thus preceded by an intention to do so. However, this intention may or may not lead to an actual business start-up. Thus, entrepreneurial intentions predict, although not very accurately, individuals’ choice to initiate their own business ventures. Thus, entrepreneurial intention is seen as the first move in the evolution of long term process of venture creation (Lee & Wong, 2004) (Fayolle, Gailly, & Lassas-Clerc, 2006) observed that the intention to start a business, then would be a preceding element toward performing entrepreneurial behaviour of venture creation. (Ajzen, 2002) Ajzen's Theory of Planned Behaviour posits that intentions toward a given behaviour would be the single best predictor of that behaviour (Linan & Chen, 2006). According to (Lee & Wong, 2004) and Bird (1988), the intention of carrying out a given behaviour may be affected by several factors such as needs, values, wants, habits, and beliefs. They have identified specific situational factors such as time constraints, task difficulty and the influence of other people through social pressure and societal values as influential factors to entrepreneurial intentions. For this study, the factors considered to influence entrepreneurial intentions among university students were societal values, university educational support and propensity to act.

OBJECTIVES OF THE STUDY:
The specific objectives of the study were:
1. To examine the extent to which university support influences university students’ entrepreneurial intentions.
2. To determine the effect of societal values on university students’ entrepreneurial intentions.
3. To establish the effect of propensity to act on students’ entrepreneurial intentions.

LITERATURE REVIEW:
Entrepreneurial intentions:
During the period 1990s to 2010s, economic policies and academic research have associated entrepreneurial activity to economic growth (Audretsch, Keilbach, 2004; (Van Praag & Versloot, 2007); (Liñán, Rodríguez-Cohard, & Rueda-Cantuche, 2011). Entrepreneurship is also associated with the development of technical innovations and lead to the growth of employment and competitiveness in business undertakings (Van Praag & Versloot, 2007); (Nyström, 2008). As such, interest for supporting entrepreneurship, particularly by universities as well as by governments is evident, through development of entrepreneurial infrastructure; to subsidized financing and entrepreneurship education (Otuya, Kibas, Gichira, & Martin, 2013).

As the global economic crisis emerged in 2008, entrepreneurial activity, measured by the intensity of new business entities formation, has been decreasing significantly. For instance, in UK, in 2009, there was a decrease of 27% in the registration of new public limited companies, (Klapper, Love, 2010). Arrighetti et al. (2013) argued that this trend might also affect the readiness of students to start their own businesses. Furthermore, recent studies on students entrepreneurial intentions have not dealt with this area exhaustively (Turker & Selcuk, 2009); (Ahmed, et al., 2010); (Engle, et al., 2010); (Franco, Haase, & Lautenschläger, 2010); (Gelard & Saleh, 2011).

Nevertheless, previous research has established many generalizable factors, leading to the entrepreneurial intentions. According to Carr & Sequeira (2007) previous exposure to entrepreneurship, especially growing up
in an entrepreneurial family, significantly influences attitudes toward entrepreneurship. This is also supported by a study on Romanian students (Shook & Bratianu, 2010), using the Theory of Planned Behaviour (TPB), whose results showed that self-efficacy and the social desirability were positively related to entrepreneurial intentions. In addition, practical exposure to entrepreneurship, by personal entrepreneurial experience, or the family entrepreneurship background, have been reported to impact positively on entrepreneurial intentions among students (Basu & Virick, 2008; Ahmed et al. 2010). Environment-based factors have been recognized as relevant aspects that determine student’s entrepreneurial intentions as observed by (Schwartz, Malgorzarta, Wdowiak, Almer-Jarz, & Breitenecker, 2009).

A study by (Iakovleva, Kolvereid, & Stephan, 2011) showed that students from developing countries have stronger entrepreneurial attitude than those from developed countries. Moreover, the respondents from developing countries also scored higher on the theory of planned behaviour's antecedents of entrepreneurial intentions – attitudes, subjective norms, and perceived behavioural control than respondents from developed countries.

**Societal support and entrepreneurial intentions:**

(Mustikawati & Bachtiar, 2008) conducted a study that aimed to demonstrate empirically whether there exists any association between societal support and the entrepreneurial intention of vocational students. The results of their study indicated a significantly positive influence of social support on entrepreneurial intention among vocational students. The result of this study shows that greater the social support provided by parents and larger the society to the youth, greater the interest of vocational students to be involved in entrepreneurship is. The study by Suharti and Sirine(2011) found out that academic support and social support, raised entrepreneurial intentions among the students.

**Propensity to act, university education support and entrepreneurial intent:**

(Hamidi, Wennberg, & Berglund, 2008) showed that entrepreneurship education influences personal creativity which has a strong positive effect on entrepreneurial intentions. They observed creativity has a high proactively orientation than factors such as perceived behavioural control, perceived social norms, and risk taking propensity. (Florin, Karri, & Rossiter, 2007) stated that entrepreneurship education should offer relevant skills and approaches to enable students develop positive attitude toward entrepreneurial behaviour. Bennett (2006), contends that entrepreneurship education draws support from a range of areas such as, management, marketing, financial, and organizational design. (Heinonen & Poikkijoki, 2006) and (Cheung, 2008) observed that general education is frequently focused on supporting the development of, knowledge, and intellect but entrepreneurship education is holistic and builds the individual values and interest, knowledge, self development and competencies. (Vij & Ball, 2010) established that an entrepreneurship module offered to non business students of Northumbria University was able to boost their self confidence, determination, self-belief, drive to succeed by hard work and acceptance of possible failures. The implications of this result is that university initiatives toward entrepreneurship can bear fruits on entrepreneurial intentions among the university students.

**The entrepreneurial intention model and hypotheses formulation:**

According to (Ajzen, 1987) Theory of Planned Behavior – TPB (Krueger, Reilly, & Carsrud, 2000), entrepreneurial activity is the result of intentional behavior. Attitudes are supposed to be very good predictors of intentions, along with subjective norms, perceived self efficacy and feasibility of the planned entrepreneurial venture. There have been previous validations and applications of the model in the empirical research of youth entrepreneurial intentions (Carr & Sequeira, 2007, (Engle R. , et al., 2010); (Shook & Bratianu, 2010). On the other hand, the Shapero-Krueger model relies on propensity for behaviour, along with the perceived desirability and feasibility as fundamental direct predictors of entrepreneurial intentions. Other researchers (Schwartz, Malgorzarta, Wdowiak, Almer-Jarz, & Breitenecker, 2009) consider the perceived environmental conditions to be the fundamental driver of the entrepreneurial intentions.

This study drew from the preceding literature research to develop a model of factors influencing students entrepreneurial intentions as shown in Figure 1.

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**Figure 1: Research Model**
The research hypotheses, related to the entrepreneurial intentions of students in universities in Kenya, arising from the model, can be formulated as follows:

H1: University educational support influences the students’ entrepreneurial intentions.

H2: Societal values influences the students’ entrepreneurial intentions.

H3: Students’ propensity to act influences their entrepreneurial intentions.

MATERIALS AND METHODS:

Research Design:
This study employed a survey design. In a descriptive survey, information is collected by interviewing a sample of individuals to determine their attitudes, opinions and habits (Orodho & Kombo, 2002); (Kothari, 2004). This design was suitable for the study as it sought to describe students’ perception of their entrepreneurial intentions and how intentions are affected by university support, societal values, and propensity to act.

The Target Population:
The target population were the students in universities who take Entrepreneurship major as a specialisation at undergraduate level. Two universities formed the accessible population for the study. The two were conveniently sampled as they had a significant population of undergraduate students taking entrepreneurship major.

The empirical analysis was carried out on a sample of the third and final year university students. This is a convenient sample very often used in Entrepreneurship research (Otuya, Kibas, Gichira, & Martin, 2013); (Fayolle, Gailly, & Lassas-Clerc, 2006); (Urbano, 2006). These calibre of university students are about to enter the segment of the population showing highest tendency towards becoming an entrepreneur.

Sample Size and Sampling Procedure:
The total population of the students taking entrepreneurship major in the targeted universities was 196 as shown in table 1. All the students were included in the study assuming a census sample. However, during the actual interview, 100 percent census was not achieved instead, 96.1 percent of the respondents were available for interview giving a total of 171 students.

<table>
<thead>
<tr>
<th>Institution</th>
<th>Education Level</th>
<th>Number</th>
<th>Sample size</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Moi University</td>
<td>Undergraduate 3rd &amp; 4th Year (BBM) &amp; (BSC Entre)</td>
<td>130</td>
<td>126</td>
<td>96.9%</td>
</tr>
<tr>
<td>USIU</td>
<td>Undergraduate 3rd and 4th Year (BBA)</td>
<td>66</td>
<td>45</td>
<td>68.1%</td>
</tr>
<tr>
<td>Total</td>
<td></td>
<td>196</td>
<td>171</td>
<td>96.1%</td>
</tr>
</tbody>
</table>

Instrument Design:
The Entrepreneurial Intention Questionnaire (EIQ) that was used for this study is a modified version of the one used by (Linan & Chen, 2009). The EIQ is based on the existing theoretical and empirical literature about the application of the Theory of Planned Behaviour to Entrepreneurship (Linan & Urbano, 2009). Thus, it has been carefully cross-checked with those instruments used by other researchers, such as, (Kolvereid & Isaksen, 2006); (Kickul, Wilson, Marlino, & Barbosa, 2008); (Krueger, Reilly, & Carsrud, 2000); (Veciana, Aponte, & Urbano, 2005).

Data Collection:
The researcher sought a research permit from the National Council of Science and Technology. The two targeted universities Moi and USIU were contacted for further authorization. Questionnaires were administered in class with prior permission from the university administration and the respective lecturers. The students were briefed on the purpose of the study by the researcher and then asked to voluntarily fill the Questionnaire.

Reliability:
The questionnaire was tested for reliability by using Cronbach's Alpha method. Cronbach's coefficient alpha
values were generated to determine the internal consistency of the scale used. According to (Sekaran, 2003), Cronbach’s alpha is a reliable coefficient that indicates how well the items are positively correlated to one another. The closer Cronbach's alpha is to 1, the higher the internal consistency. Cronbach's alphas for all the factors were above 0.7 confirming the internal consistency of the constructs. Results are shown in Table 2.

<table>
<thead>
<tr>
<th>Variables</th>
<th>Cronbach’s Alpha</th>
<th>Number of Items</th>
</tr>
</thead>
<tbody>
<tr>
<td>University Support</td>
<td>0.800</td>
<td>3</td>
</tr>
<tr>
<td>Societal Values</td>
<td>0.723</td>
<td>8</td>
</tr>
<tr>
<td>Propensity to Act</td>
<td>0.731</td>
<td>6</td>
</tr>
<tr>
<td>Entrepreneurial Intentions</td>
<td>0.779</td>
<td>6</td>
</tr>
</tbody>
</table>

**Table 2: Cronbach’s Alpha for the Variables**

Data Analysis:
Data was analysed largely using quantitative methods. Descriptive statistics such as frequency distribution and measures of central tendency were useful in data reduction and item analysis. The conceptual framework takes the form of a structural equation model. This model is viewed as a combination of factor and regression or path analysis. The researcher estimated a regression equation of the form:

$$EI = \alpha + \beta_1 SV + \beta_2 US + \beta_3 PA + \varepsilon$$

Where EI represents Entrepreneurial Intentions, SV, US, PA represent Societal Values, University Support, and Propensity to Act respectively. The parameters $\beta_{i=1,2,3,4}$ represent coefficients to be estimated while the intercept is represented by $\alpha$.

Multiple regressions were utilized in testing the hypothesis about relations between the variables. All data was keyed and analysed using Statistical Package for Social Sciences SPSS 20.0 Version.

RESULTS AND DISCUSSIONS:

Demographic Profile of the Respondents:
The findings from the study indicate that majority of the respondents were male compared to the female students (represented by 54.7 percent and 45.3 percent respectively). The variation in the percentages is within the confines of fair representation of female and male students. The respondents’ ages ranged from 19 years to 39 years with majority of the students aged between 20 and 25 years (89.6 percent). The mean age settled at 22.5 years which is characteristic of the young university students frequently used by researchers of entrepreneurial intentions among university students. The number of mature students in the sample was quite small as those aged 31 and above was only 2.9 percent of the total sample.

Willingness to Initiate Business Venture:
The students were asked when they would prefer to start a business after graduating from the university. The period of preference ranged from six months to more than three years after graduating. The students were also given the choice of not planning to start a business at all. In order to make comparisons, results for Moi University and USIU students are presented in table 3.

<table>
<thead>
<tr>
<th>Table 3: When to Start Business- Moi and USIU Samples</th>
</tr>
</thead>
<tbody>
<tr>
<td>Moi University Frequency</td>
</tr>
<tr>
<td>Percentage within Moi university</td>
</tr>
<tr>
<td>USIU Frequency</td>
</tr>
<tr>
<td>Percentage within USIU</td>
</tr>
<tr>
<td>Total Frequency</td>
</tr>
<tr>
<td>Total Percentage for Moi &amp; USIU</td>
</tr>
</tbody>
</table>

The results suggest that the students who are exposed to entrepreneurship education are highly motivated to
take up business venture as an alternative career option. This infers that business start-up intervention support measures such as financial assistance should be availed to the students within one year after graduating. At this period, their motivation is still high and as the saying goes “hit the iron while it is still hot” hence the suitable period for assistance.

Relationship between societal values, university support, propensity to act and entrepreneurial intentions: Regression analysis for the variables was done to account for their influence on the variation in entrepreneurial intentions. The variables: societal values, university support and Propensity to act (innovation) were entered in the regression in that order. The coefficients were worked out separately for Moi University and USIU. The data is captured in Tables 4, 5.

Result from table 4.24 showed that university support had a significant and positive influence on Moi university students entrepreneurial intentions ($\beta= 0.180, p < 0.01$). The first hypothesis was therefore supported by these results. The regression results also showed that there is a statistically significant association between societal values and students entrepreneurial intentions ($\beta = 0.102, p < 0.01$). Thus the second hypothesis was supported. This implies that societal values towards entrepreneurship contribute 10.2 percent change in entrepreneurial intentions among the students. Hypothesis three sought to establish the relationship between propensity to act and entrepreneurial intentions among the students of Moi University. The findings show a positive and significant relationship ($\beta= 0.120, p < 0.01$), hence support for the third hypothesis. From table 4, university support had the highest contribution to the change in entrepreneurial intentions 18.0 percent, followed by propensity to act (innovation) 12.0 percent, while societal values had the least influence of 10.2 percent.

Table 4: Regression Coefficient Moi University

<table>
<thead>
<tr>
<th>Model</th>
<th>Un-standardized Coefficient</th>
<th>Standardized Coefficient</th>
<th>Beta</th>
<th>Standard error</th>
<th>T</th>
<th>Significance</th>
</tr>
</thead>
<tbody>
<tr>
<td>Constant</td>
<td>4.369</td>
<td>0.446</td>
<td></td>
<td></td>
<td>9.777</td>
<td>0.075</td>
</tr>
<tr>
<td>Societal Values</td>
<td>0.110</td>
<td>0.062</td>
<td>0.102</td>
<td>1.789</td>
<td>0.000</td>
<td></td>
</tr>
<tr>
<td>University Support</td>
<td>0.173</td>
<td>0.054</td>
<td>0.180</td>
<td>3.204</td>
<td>0.001</td>
<td></td>
</tr>
<tr>
<td>Propensity to Act</td>
<td>0.155</td>
<td>0.072</td>
<td>0.120</td>
<td>2.149</td>
<td>0.032</td>
<td></td>
</tr>
</tbody>
</table>

Predictors (Constant): Societal Values, University Support, Propensity to Act (Innovativeness)

Dependent Variable: Entrepreneurial Intentions

Regression coefficients for USIU respondents are presented in Table 5. As was the case for Moi University, there is a statistically positive association between university support towards entrepreneurship and students entrepreneurial intentions ($\beta= 0.317, p < 0.01$), hence hypothesis one was supported. However, the contribution to the change in entrepreneurial intentions for USIU on this variable was double that of Moi University indicating that USIU may be putting more emphasis on educational support programs towards entrepreneurial initiative. Societal values registered a positive and significant influence to entrepreneurial intentions of USIU students ($\beta= 0.202, p < 0.01$). Hypothesis two therefore received support from the findings. Furthermore, hypothesis three also received support from the findings as propensity to act had a significant influence on entrepreneurial intentions of the USIU students ($\beta= 0.203, p < 0.01$). These findings show that university support was the highest contributor to the variance in entrepreneurial intentions represented by 31.7 percent, while propensity to act and societal values contributed 20.3 percent and 20.2 percent respectively.

Table 5: Regression Coefficients USIU

<table>
<thead>
<tr>
<th>Model</th>
<th>Un-standardized Coefficient</th>
<th>Standardized Coefficient</th>
<th>Beta</th>
<th>Standard error</th>
<th>T</th>
<th>Significance</th>
</tr>
</thead>
<tbody>
<tr>
<td>Constant</td>
<td>3.821</td>
<td>0.276</td>
<td></td>
<td></td>
<td>7.968</td>
<td>0.000</td>
</tr>
<tr>
<td>Societal Values</td>
<td>0.162</td>
<td>0.045</td>
<td>0.202</td>
<td>3.601</td>
<td>0.003</td>
<td></td>
</tr>
<tr>
<td>University Support</td>
<td>0.333</td>
<td>0.057</td>
<td>0.317</td>
<td>5.831</td>
<td>0.000</td>
<td></td>
</tr>
<tr>
<td>Propensity to Act</td>
<td>0.238</td>
<td>0.066</td>
<td>0.203</td>
<td>3.619</td>
<td>0.000</td>
<td></td>
</tr>
</tbody>
</table>

Predictors: (Constant) Societal Values, University Support, Propensity to Act (Innovativeness)
Dependent Variable: Entrepreneurial Intentions

DISCUSSIONS IMPLICATIONS AND CONCLUSION:

The percentage of the respondents who had the intention to start a business within the first six months after graduation was close to half of the samples which is much higher than the percentages reported for other countries in the 2013 GEM study by Herrington and Kew (2014). This could perhaps be explained by the fact that the respondents were aware of the reality of unemployment and this made entrepreneurship their only viable career option. Hence they have high levels of entrepreneurial intention, which are supported by (Lucas, Cooper, & MacFarlane, 2008); (Krishna, 2013) and (Herrington & Mike, 2014) and (Herrington & Mike, 2014). Previous research had found a statistically significant relationship between entrepreneurial intentions and entrepreneurial behaviour (Kolvereid & Isaksen, 2006); Zhang & Yang 2006; (Delanoë, 2013). The findings suggest that it is crucial to provide the students with the necessary support in order to enable them to contribute to entrepreneurial activity in the form of new start-ups when they graduate from the universities. By starting new ventures, more job opportunities could be created and economic growth accelerated.

The study affirmed that university support had positive influence on entrepreneurial intentions among students in the two universities. These findings are in line with those of (Schwartz, Malgorzarta, Wdowiak, Almer-Jarz, & Breitenecker, 2009) who reported that university support had positive influence on university students’ entrepreneurial intentions. Similar findings were echoed by (Co & Mitchell, 2006) who submitted that university support play a functional role in promoting entrepreneurship education to develop regional and societal economies. The implications from the findings is that educational support is important in building entrepreneurial culture among university students. Universities should mount more support programs aimed at fostering entrepreneurship. More specific are business incubators that may help to translate entrepreneurial intentions into actual business ventures.

Findings from the study revealed that propensity to act significantly influenced students entrepreneurial intentions. This findings corroborate those of (Awang, Amran, Nor, & Ibrahim, 2016) regarding the effect of proactive personality and risk taking propensity on students entrepreneurial intentions. The study also supports earlier findings of (Luthje & Franke, 2003) and (Duijn, 2009) in Netherland. Furthermore, the study has demonstrated that societal support has a significant influence on students entrepreneurial intentions. The findings agree with earlier research by (Sahban, Ramalu, & Syhputra, 2016) on Indonesia students. The findings of this study reveal that higher the social support is, higher the entrepreneurial intention of the students to start a business will be. Consequently, it is suggested that in enhancing the entrepreneurial intentions among students in Kenyan institutions, propensity to act are pertinent in the formation of entrepreneurial intentions. The study has demonstrated that in ensuring more start-ups among university students in the country, serious attention should focus on their expectations of relentless support from the university, family, friends and peers, besides, strengthening and reinforcing the propensity to act. Hence, university should strive to avail enough resources for more realization of entrepreneurial training and development. The government and universities should work collectively in addressing the importance of support in enhancing university students entrepreneurial intentions. In terms of policy implications, the results from this study will therefore raise the level of awareness and commitment of the government and other related institutions in designing valid and suitable entrepreneurship programmes that will benefit the university students as well as the general economy of Kenya. The limitations of this study include the relatively small data of the respondents from only two universities. Future studies should therefore increase the sample size, the number of universities, the number of colleges and of the respondents. Further studies can also be done to explore the differences in entrepreneurial intentions of the students from the developed and the developing countries or across cultures. A longitudinal study will also serve as a good gap that will help to explore the relationship between the entrepreneurial intentions and the behaviour of the candidates after they graduate from the universities.

REFERENCES:


