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Antecedents of Entrepreneurial Intention among Undergraduate Students in Sudan

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Abstract

This paper aims to shed light on the Antecedents of the intention of entrepreneurship among university students in Sudan. Many studies have confirmed that the intention of entrepreneurship can be achieved through a combination of factors such as personal factors, social factors and societal factors. Accordingly, the study model has been built and the hypotheses developed from the previous studies. The validity of the model was verified through a number of statistical methods. 384 questionnaires were distributed to university students in public and private universities in Sudan. The structural equation modeling was applied by using (PLS). The study showed a number of results that the societal factors effect on the intention. While personal factors, social factors do not affect entrepreneurial intentions. This study has multiple implications for decision makers and entrepreneurs

Keywords: Entrepreneurship intention, Personality factors, Social factors, Societal factors.

Introduction

A number of researchers emphasized the importance of entrepreneurship in different countries, whether developed or developing (Holmgren and From 2005; Altinay et al., 2012; Nanda and Sorensen, 2006; Yurtkoru et al., 2014; Zapkau et al., 2015; Ezeh, P., et al., 2019; Rodrigues, et al., 2019; Ephrem, A et al., 2019; Shi, L et al., 2019; Che Embi et al 2019; Sahoo, S et al 2019).

In LDCs, governments are helping to encourage entrepreneurship as a means by which individuals can be encouraged in order to increase their incomes and increase economic development as well as address the economic and social challenges. And also, how do these countries encourage young people to become entrepreneurs? And what aspects require more knowledge.

Recently, many previous studies have demonstrated the importance of entrepreneurship in increasing economic growth, job creation, innovation and productivity (Urbano and Aparicio, 2015). Consequently, developing countries such as Sudan did not encourage students to apply entrepreneurship in order to benefit from their outcomes or participate in entrepreneurship activities. It is widely known that undergraduates are the most sought-after income source in the near future. the government efforts in entrepreneurship among university students is to make entrepreneurship a compulsory subject for all students regardless of their field of study or to provide resources for students after graduation because employment opportunities become very limited compared to the huge number of graduates, especially in developing countries. Especially that entrepreneurship is important for economic progress and employment in addition to solving the problems of unemployment experienced by these countries.

Therefore, it is important to know the factors that affect the intentions of students in developing countries and Sudan in particular. There is a dearth of research on factors affecting on entrepreneurial intent, while many countries, especially developed countries, have considered this relationship as essential for economic development and growth. (Fayolle and Linan, 2013; Karimi et al., 2014).

For this reason, there is an urgent need to conduct research in entrepreneurship in order to understand the factors that lead students to participate in entrepreneurship as well as to contribute to the understanding of this area. However, this study is expected to help government institutions, agencies, academics, leading teachers, consultants to find appropriate solutions to promote and encourage students in entrepreneurship at universities and in the community.

Literature Review

1- Personality factors

Researchers have been interested in the philosophy of entrepreneurship by looking for an understanding of the intentions of entrepreneurs and also to identify the factors that make entrepreneurs different from others through the search for different personality traits. It is now accepted that personality is an important indicator of entrepreneurial intention (Rauch and Frese 2000, 46). Many studies have found a number of personality traits that have been associated with entrepreneurial intention. Researchers disagreed about naming personal factors that affect on entrepreneurial intent during their research which confirmed that personal factors influence on entrepreneurial intent. Some of these features are the need for achievement, and the locus of control (Sesen, 2013), as most researchers considered that internal factors are the same as personal factors that are directly related to entrepreneurial intent (Zhao et al., 2010; Seibert et al., 2001).

1- Social factors

In order to connect the social factors on the relationship to entrepreneurial intention .We find that some of the previous studies have confirmed that the desire of many students to create their own business, but the realization of these dreams hampered by improper preparation. As well as the lack of sufficient knowledge of this type of decision. Noel (1998) found that entrepreneurship education is strongly influence with entrepreneurial intent, with entrepreneurs expressing higher intentions to start their own businesses. Social factors are the most important factors influencing in the decision to adopt entrepreneurship to the background of the family in entrepreneurship. Self-employed parents. Scott and Twomey (1988) reported that students whose parents own a small business shown the highest preference for self-employment and least work in large companies than people whose parents have no entrepreneurship preference.

2- Societal factors

The social factors in this study Represented in economic and political conditions of the country where the students live. So, Entrepreneurship plays a critical role in national and regional economic development. It contributes to employment opportunities, promotes the level of technical innovation, and promotes economic growth (Fernández-Serrano & Romero 2013). Many people see entrepreneurs as agents of change because entrepreneurship involves starting new businesses, experimenting with new technologies, organizing new production, introducing new products, or even creating new markets (Fernández-Serrano & Romero 2013). According to Khuong and An (2016), their

emphasized that entrepreneurship is influenced by the general environment such as economic indicator, regulatory environment, legal system or political stability on the intention of young people to start up.

3- Entrepreneurial Intention

Entrepreneurship intent can be defined as a person's intention to choose to be an entrepreneur in his or her career. People with entrepreneurial intentions plan to take calculated the risks, raise the required resources and set up their own businesses. Entrepreneurship intent is to start entrepreneurial procedures.

Bird (1989) believes the intention of entrepreneurship is a state of mind that directs a person's intentions and actions towards entrepreneurship. When, Linan and Rodriguez (2009) defined entrepreneurial intent as someone's effort to work entrepreneurially , also (Khan, 2013: 187-188). Hmieleski and Corbett (2006: 48) believe that the intention of entrepreneurship is the intention to establish high-growth businesses. Pruet (2012: 94) believes that entrepreneurial intentions are plans to pursue careers in business ownership.

Theoretical Framework

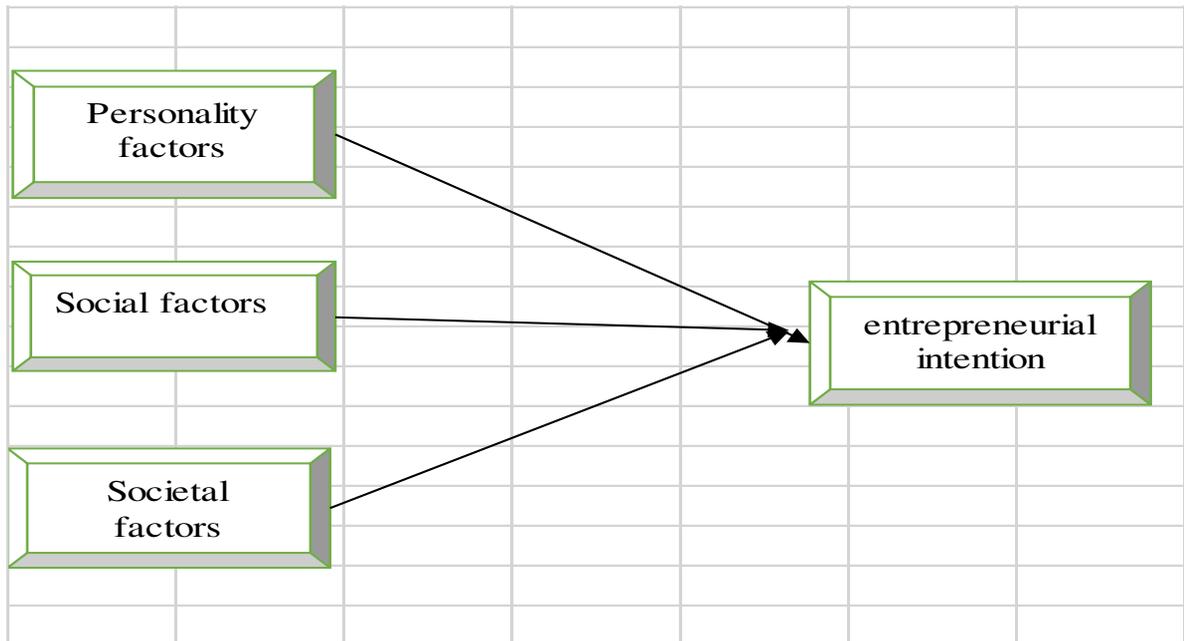


Figure 1 Theoretical Framework

Hypotheses

We assume that all these factors have certain effects that drive the students' career decision towards self-employment. In order to investigate the impact of these factors on the entrepreneurial intent. So we assume these Hypotheses.

H1: personality factors have positively influence on entrepreneurial intent

H2: Social factors have positively influence on entrepreneurial intent

H3: Societal factors have positively influence on entrepreneurial intent

Methodology

Measurement

The primary data for independent and dependent variables were collected face-to-face survey done using a structured questionnaire. The questionnaires were addressed to 384 undergraduate students in public and private universities in Sudan Only 348 students responded, resulting in 90.6 % response rate. The independent and dependent variables instrumentation, which are Personality factors, Social factors, Societal factors, and entrepreneurial intention, were adapted from Nurdan Ozaralli and Nancy K. Rivenburgh (2016), and Turker and Selcuk (2009). All responses were measured using five-point scale items, ranging from "1=strongly disagree" to "5=strongly agree".

Data Analysis and Results

The data were analysed using Partial Least Squares (PLS) approach to Structural Equation Modelling (SEM). The analysis and interpretation of a PLS model is a two-staged process. First is the assessment of the reliability and validity to the measurement model and the second is the assessment of the structural model to test the hypotheses under study. These assessments are presented in the next subsections.

Assessment of the measurement model

The first step in PLS analysis was to analyse the measurement model (or outer model) to determine how well the indicators (items in the constructs) load on the theoretically defined constructs. It was ensured that the survey instrument is reliable and valid to measure the construct that were designed to measure. Thus, the internal consistency, indicator reliability, convergent validity and discriminant validity were performed to assess the measurement model. In this study, the internal consistency or composite reliability of each construct ranges from 0.840 to 0.922 as (composite reliability) and this is above the recommended threshold value of 0.70. it is appearing in the next table.

Table (1) Standardized Regression Weight

	Cronbach's Alpha	rho_A	Composite Reliability	Average Variance Extracted (AVE)
Intention	0.623	0.634	0.840	0.725
Personality factors	0.846	0.861	0.873	0.389
Social factors	0.908	0.927	0.922	0.520
Societal factors	0.886	0.890	0.905	0.447

Notes: CR, composite reliability; AVE, average variance extracted

Thus, the results point out that the items used to represent construct have satisfactory internal consistency reliability.

For indicator reliability, one item is eliminated for entrepreneurial intention due to less than 0.70 loadings. In order to test the convergent validity, the average variance extracted (AVE) is used. The result of the analysis shows that all constructs have AVE ranging from 0.389 to 0.725 when Personality factors equal 0.389 and Societal factors equal 0.447 it less than 0.5 which demonstrates an adequate convergent validity.

Table (2) Discriminant validity

	Intention	Personality factors	Social factors
Personality factors	0.554		
Social factors	0.569	0.679	
Societal factors	0.721	0.730	0.815

Table (2) show the Discriminant validity is a complement of convergent validity. It indicates the degree to which one construct differs from the others. It can be assessed by using heterotrait-monotrait (HTMT) ratio of correlations. So, discriminant validity is satisfied and the result confirmed that (HTMT) criterion is met.

Assessment of structural model

Table presents the results of R² value in this study. The R² value was 0.348, suggesting that 34.8% of the variance in the entrepreneurial intention can be explained by the Personality factors, Social factors, Societal factors

Table (3) R Square for structural model

	R Square	R Square Adjusted
Intention	0.348	0.319

And also The Variance Inflation Factor (VIF) measures the impact of collinearity among the variables in a regression model, came less recommended threshold value of 3 and good

value less than 3. All value appearing in the next table.

Table (4) Inner VIF Values for structural model

	Intention
Personality factors	1.897
Social factors	2.244
Societal factors	2.503

The correlation matrix is shown in Table. The results indicate that all variables are significantly positively correlated with one another showing that there exists a strong relationship between entrepreneurial intentions. Entrepreneurial intention is shown to be strongly associated with societal factors.

Table (5) Correlations Matrix of Variables

	Intention	Personality factors	Social factors	Societal factors
Intention	1.000			
Personality factors	0.465	1.000		
Social factors	0.454	0.610	1.000	
Societal factors	0.579	0.661	0.724	1.000

The table shows that no correlations near 1.0 (or approaching 0.8 or 0.9) were detected, which indicate that multicollinearity is not a significant problem in this particular data set. The highest correlations between Social factors and Societal factors equal .724**.

Testing hypotheses

To assess the impact of factor effect in entrepreneurial intension, such as personality factors, social factors, societal factors, structural equation modeling has been employed and a measurement model of these constructs has been assessed. Figure 2 reveals that reflective indicators have been used for the measurement of latent constructs and non-causal relationship has been studied among different constructs, by drawing path .

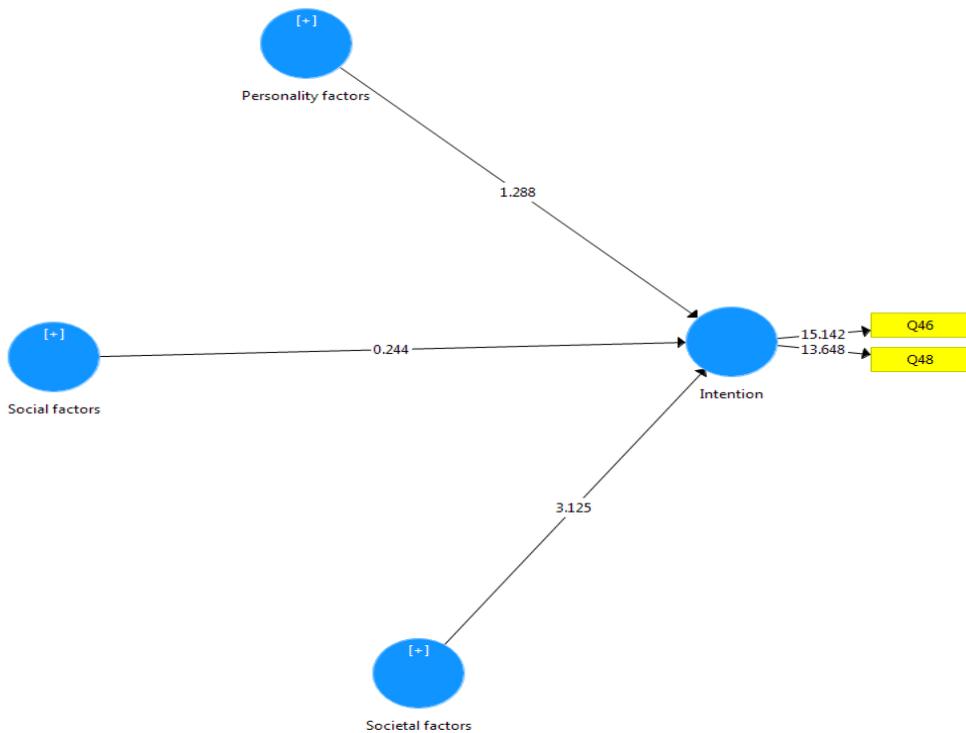


Figure 2 Theoretical Framework and hypothesis testing

Table (6) show Personality factors has 1.288 **T Statistics** equal 0.198 **P Values** it is not insignificant relationship on entrepreneurial intention. when, Social factors has 0.244 **T Statistics** equal 0.807 **P Values** it is not insignificant relationship on entrepreneurial intention. While Societal factors has 3.125 **T Statistics** equal 0.002 **P Values** it is insignificant relationship on entrepreneurial intention the all of **Path coefficients** appearing in the next table.

Table (6) Path coefficients and hypothesis testing

	Original Sample (O)	Sample Mean (M)	Standard Deviation (STDEV)	T Statistics (O/STDEV)	P Values
Personality factors -> Intention	0.139	0.180	0.108	1.288	0.198
Social factors -> Intention	0.035	0.035	0.142	0.244	0.807

Societal factors -> Intention	0.462	0.469	0.148	3.125	0.002
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Discussion and Conclusion

The aim of this study is to investigate the predictors of entrepreneurial intention among undergraduate students in Sudan. This study found that Societal factors are the predictors to entrepreneurial intention. While the Personality factors, Social factors are not the predictors to entrepreneurial intention.

Thus, it is suggested that the greater the Societal factors towards the entrepreneurship, the greater the entrepreneurial intention is. The personal attitude in this study refers to the perception of the students on the advantages, satisfaction, and attractiveness of entrepreneurship. The findings of the study show that personality factor has not strong impact on student's entrepreneurial intentions.

The results of the study are consistent with (Elali, W , et al. 2016) social networking, risk tolerance, the need for achievement as well as self-efficacy play a significant role in the entrepreneurial intentions of Kuwaiti nationals. and also, with Crant (1996) and Mustafa et al. (2016) The individual with personality are more determined by scanning the environment and, thus, grabbing the opportunity.

The prior studies found out the greater supports from parents, family, friends, and people surrounding them, the greater the entrepreneurial their intention is. And also, found the role of friends and roles models is prominent in influencing the decisions to become an entrepreneur (Altinay et al., 2012; Nanda and Sorensen, 2006; Yurtkoru et al., 2014; Zapkau et al., 2015; Ezech, P., et al., 2019; Rodrigues, et al., 2019; Ephrem, A et al., 2019; Shi, L et al., 2019; Che Embi et al 2019; Sahoo, S et al 2019)

The key contribution of this research is the empirical evidence of the factors affecting students' intention to become an entrepreneur. This is due to the fact that, in the future, undergraduates are an important source of nascent entrepreneurship. The implication of this study to policymakers and educators is, apart from offering entrepreneurship courses; the universities should consider other factors to motivate the students to become an entrepreneur. For example, in this study, personal attitude is the greatest influence of the students' intention to become an entrepreneur. Thus, it is important to find a strategy on how to convince the students of the advantages of being an entrepreneur. In this sense, it may require additional syllabus or programs for entrepreneurship study.

The limitation of this research is its sample size, which only consists of some universities in Sudan. The finding may not represent the whole population of undergraduate students in

Sudan. And also the student sample has just consisted of bachelor students who are in their final years of study. Further research may consider including other not student real entrepreneur.

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